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Page

Laszlo Balogh/Reuters

NEIGHBORS AND VICTIMS — A Serbian woman assessing the wreckage of her Croatian neighbor's house in Vukovar, Croatia, after it was bombed Friday by Serbian nationalists fighting with Croatian police. Yugoslavia's collective presidency ordered an immediate cease-fire in Croatia and a return of federal army troops to barracks while a political solution is sought. Page 2.

Shevardnadze Forecasts New Nuclear Arms Talks

He Says Soviet Military's Failure Paves Way for Accord With U.S.

By Jim Hoagland
Washington Post Service

MOSCOW — The Soviet Union and the United States will decide to begin new negotiations on cutting their nuclear arsenals to minimal levels after signing the long-delayed START treaty here next week, former Foreign Minister Eduard A. Shevardnadze predicted Friday.

"This is a must," Mr. Shevardnadze said in an interview. He also poured scorn on the Soviet military leadership for having tried to overturn the START agreement that he and Secretary of State James A. Baker 3d reached in December in Houston, shortly before Mr. Shevardnadze's dramatic resignation.

"They raised trivial objections," Mr. Shevardnadze said. But then, he added, the military leadership "had to settle for what had already been agreed on."

Mr. Shevardnadze's comments implicitly endorsed the tough stance that the Bush administration took in refusing to yield to last-minute Soviet demands for changes in the draft of the Strategic Arms Reduction treaty.

He said that the failure of Soviet military leaders to undo the treaty should make them more cooperative in future arms-control negotiations, which he characterized as still a major factor in Soviet-U.S. relations.

Although he is no longer in President Mikhail S. Gorbachev's government, Mr. Shevardnadze's views on Soviet-U.S. relations retain authority because of his continuing close relationships with Mr. Gorbachev, with Mr. Baker, whom Mr. Shevardnadze will meet here on Monday, and with President George Bush, who will dine with Mr. Shevardnadze on Wednesday at the close of the two-day U.S.-Soviet summit meeting in Moscow.

Mr. Shevardnadze offered rare direct criticism of Mr. Gorbachev in the interview, saying that the Soviet president's "indecisiveness" had contributed to the economic crisis the country faces.

He faulted Mr. Gorbachev for not accepting a radical program for economic change — drawn up by the Soviet economist Grigori Yavlinsky and a group of Harvard experts — as the basis for the Soviet leader's discussions last week in London with the leaders of the Group of Seven industrial democracies.

"It is a good, bold plan," Mr. Shevardnadze said. "We all lost a lot when the plan and Yavlinsky were not taken to London."

Bush is expected to tell Gorbachev that the trade pact is ready to be ratified. Page 3.

Mr. Shevardnadze's remarks, translated into English by his principal policy assistant, Sergei Tarasenko, divulged a greater degree of accord between the Soviet Union and the United States on moving toward a post-START goal of minimal nuclear deterrence than either side has publicly acknowledged before.

He and Mr. Baker, Mr. Shevardnadze said, "reached an interesting plateau, tackling strategic stability" and "coming close to talking specifically about how many weapons each side needs."

Mr. Shevardnadze shied away from describing the goal of the START follow-on negotiations as minimal deterrence, noting

See SUMMIT, Page 5

Party Backs Gorbachev On Charter For Change

But Leader Promises To Fight Yeltsin Ban On Communist Activity

By Serge Schmemann
New York Times Service

MOSCOW — The leadership of the Soviet Communist Party overwhelmingly approved President Mikhail S. Gorbachev's proposed new charter on Friday, clearing the way for a full congress in November to convert the former "vanguard of the proletariat" into a broad-based "party of democratic reforms."

The acquiescence of the Central Committee, whose past meetings had seen feuding between liberals and conservatives, was widely viewed as a temporary truce in the face of growing outside threats to the party's wealth and remaining power.

The most immediate threat was a decree by Boris N. Yeltsin, president of the Russian Republic, banning party cells from factories and state offices, which remain the primary source of the party's strength.

Mr. Gorbachev, the party's general secretary, declared that he would fight the Yeltsin decree by "all constitutional means, up to and including a presidential decree." The challenge threatened to reopen the feud between Mr. Gorbachev and Mr. Yeltsin that had all but paralyzed the nation until they and leaders of eight other republics declared a truce in April.

The pact opened the way to the drafting of a treaty in which substantial state powers would devolve to the republican governments and new national elections would be held next summer.

In the Central Committee, however, Mr. Yeltsin's decree seemed to persuade the sharply divided party to close ranks, at least temporarily. Only about 15 of the 358 committee members voted against the proposed party program or abstained.

The program essentially jettisons many of the dogmas that the party used to justify its control over all facets of Soviet life and thought, ranging from its identification as a party of the "working class" to militant atheism, the ideological monopoly of Marxism-Leninism and the imminence of a communist society.

Instead, the program embraced ideas once considered heretical — including private property, a market economy and a pluralism of views.

"The model that has been imposed on the party and society for decades has suffered a strategic defeat," Mr. Gorbachev said. "This conclusion is of principled significance. It follows that we have come to face the necessity of a new drastic change of our entire viewpoint of socialism. We will not find an answer to our queries within the framework of the old model."

The radical revision had been expected to draw fire from hard-liners, who have assailed Mr. Gorbachev as a traitor. But the announcement of a full party congress in the fall, and new challenges to the party, evidently persuaded the party to close ranks, at least for now.

"Unlike some previous meetings, this plenum is marked by a sober, business-like approach," Mr. Gorbachev said.

The acceptance of the program, even by many hard-liners, suggested a recognition that the party had no choice but to abandon its Stalinist image if it is to stand any chance in national elections.

Mr. Gorbachev noted that 4.2 million members had quit in the past 18 months, which has reduced membership to the 1973 level of 15 million.

Various nonparty movements had already declared intentions to form national parties, some openly wooing liberal Communists. The most promising of the new organizations is the Movement for Democratic Reform, organized by Eduard A. Shevardnadze, the former foreign minister, and several prominent liberal politi-

See PARTY, Page 5

U.S. Data Show Recovery, but Barely

By Lawrence Malkin
International Herald Tribune

NEW YORK — The U.S. economy crawled out of recession this spring, the government reported Friday, but the pace was so hesitant that it could slip back again.

After two quarters of decline at an average rate of 2.2 percent, the Commerce Department's preliminary estimate of gross national product for the April-June quarter showed an almost imperceptible rise at an annual rate of 0.4 percent. Economists warned that the number could easily be revised to a minus on more complete data.

Some said it foreshadowed very weak growth of 2 percent or less for the rest of the year. Victor Zarnowitz of the University of Chicago, chairman of the committee of private economists that officially dates U.S. recessions, said he was not yet ready to write this one into history without several more months of improved statistics.

Financial markets were as discomfited as the White House, which called for lower interest rates from the Federal Reserve Board to accelerate the sluggish recovery. The dollar, which had already eased in European trading earlier, dropped one pfennig against the Deutsche mark on the data before steadying. It closed at 1.7440 Deutsche marks in New York, down from 1.7585 DM on Thursday.

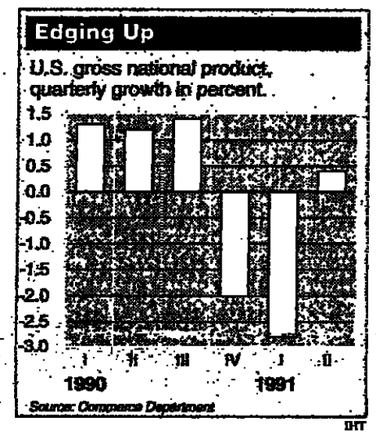
On Wall Street, stock prices fell on worries that the Fed would not ease credit. They then recovered to close mixed. The Dow Jones industrial average fell 7.60 points to 2,972.50.

Michael Boskin, the Bush administration's chief economist, again pressured the central bank to increase the money supply "at a more solid rate." The current rate of money growth of just below 4 percent is unusually low for a recovery, and he warned that "the Fed will obviously have to take action" unless money growth accelerates soon.

Mr. Boskin forecast a "modest — not anemic, not spectacular — but sustained" recovery at a rate of 2.5 to 3 percent for the second half of this year, and slightly more than 3 percent next year. This put him in tune with the consensus forecast for the second half by the 50 mainstream economists polled by Blue Chip Economic Indicators, but more optimistic than their forecast of 2.7 percent growth for 1992.

Cross-currents in the figures that made up

See GNP, Page 8



Nuclear Threat: U.S. Concern Shifts to Korea

By Michael Richardson
International Herald Tribune

SINGAPORE — The United States has significantly downgraded the Soviet Union as a military threat in the Far East and now regards a covert program by North Korea to develop nuclear weapons as the most immediate danger in Asia and the Pacific, the senior U.S. commander in the region said Friday.

Admiral Charles R. Larson, head of the U.S. Pacific Command, also said that plans to withdraw thousands of American troops from South Korea could be halted if it appeared that the North might take advantage of the U.S. pullback to threaten the South.

"I think the North Korean nuclear threat is probably my greatest security concern at this point in time," Admiral Larson said at a press conference here during a tour of East Asia.

The United States, Japan, South Korea and many other nations in Asia are alarmed at growing evidence that North Korea is secretly developing the capability to make nuclear weapons — a move that would create a dangerous source of tension and instability in Northeast Asia.

Officials and analysts in the region say that satellite photographs and intelligence reports show that extensive construction has taken place in recent years at a North Korean nuclear reactor and research complex at Yongbyon, 100 kilometers (60 miles) north of Pyongyang.

Particular points of concern in the complex are a plant to reprocess spent uranium fuel from the reactor and a facility to enrich uranium, both of which could be used to produce the fissile material for nuclear weapons.

North Korea has repeatedly denied that it is developing nuclear weapons. But it has so far refused to open all its nuclear facilities to un-

See PACIFIC, Page 5

Kiosk

Invitations Readied for Mideast

WASHINGTON (AP) — Presidents George Bush and Mikhail S. Gorbachev may use their summit meeting in Moscow next week to issue formal invitations to a Mideast peace conference, even if Israel is undecided about participating, a senior U.S. official said Friday.

Brent Scowcroft, the U.S. national security adviser, said the United States hoped to get Israel's answer before the opening of the meeting on Tuesday. But even if there is no word from Israel, Mr. Scowcroft said, Mr. Bush and Mr. Gorbachev may issue the invitations anyway, putting Israel on the spot.

General News
Bufhelezi's stature has been seriously damaged by revelations of secret funding. Page 5.

Art
Auction house end-of-season figures look disastrous, but are reason to rejoice, Souren Melikian writes. Page 6.

Money Report
Stocks sized up; U.S. nationality for sale. Pages 14-15.

Business/Finance
German inflation numbers increased pressure for a rise in interest rates. Page 7.

Crossword Page 3.

Dow Close
2,972.50
Down
7.60

The Dollar In New York

DM	1.744
Pound	1.682
Yen	137.60
FF	5.934

A Diversity Born of Turmoil

Despite Crises, Algeria Moves Slowly Toward Democracy

By Youssef M. Ibrahim
New York Times Service

ALGIERS — Algeria is in a crisis — some call it a revolution — that is tearing apart the country's once solid socialist political fabric and plunging it into economic decline.

Out of this turmoil, however, there is an astonishing flowering of political diversity that is sweeping aside 29 years of one-party rule by the National Liberation Front.

Many Algerians as well as foreign diplomats say they believe that the new openness will lead Algeria toward the first truly democratic elections in the Arab world, setting it apart in a region dominated by benign feudal governments and brutal dictatorships.

Sitting in a cramped office, Omar Belhouchet proudly displays the first issue of his independent newspaper, Al Watan, the country's best read and first independent daily.

But it is not the only one. Since Algeria's democratization process began after a major popular outburst of discontent in October 1988 that forced President Chadli Bendjedid to end one-party rule and move to multiparty democracy, at least a dozen free dailies and as many magazines have mushroomed. Nearly 40 new political parties have also materialized.

Not far from Mr. Belhouchet's office, at the teeming Tivoli flea market in the Climat de France section, Abdelhamid, a bearded member of the Islamic Salvation Front, was trying to sell blue jeans and socks smuggled from Morocco and cheap dresses from bargain stores in France and Spain.

But Abdelhamid, who would not give his full name, has his mind on his party, whose leaders were jailed by the army in June after inciting hundred of thousands of their followers to public demonstrations and strikes. It was, most here agree, an attempt to overthrow the government that was blocked by the army, leading to a martial law edict that is still in effect.

At least eight of the leaders of the Islamic Salvation Front are under arrest and awaiting trial, including their leader, Abassi Madani, and Ali Belhadj, the fiery young deputy leader.

After winning 55 percent of municipal and gubernatorial elections a year ago, the movement is now badly split, in part by the violent behavior of some of its members. These fundamentalists began to impose restrictions on social life in their municipalities. They harassed women, asked couples walking in public to produce evidence that they were re-

See ALGERIA, Page 5

In Spain, Even With Twist, It's Still Highway Robbery

Bandits From South America Prey on Motorists

By Barry James
International Herald Tribune

The tactic is simple: Someone drives alongside an unsuspecting motorist on the coastal highway in eastern Spain, leading from France down to Valencia, and gesticulates as though the motorist has a flat tire.

The driver stops to investigate, and within seconds a gang of thieves arrives and strips the occupants and their car of valuables. Sometimes, the robbers take the car as well.

Every month, at least 100 vacations are ruined in this way. The police know who the criminals are. And yet, blaming the intricacies of the Spanish legal system, they say they are helpless to halt this highway robbery.

The police have identified at least 120 gang members, nearly all of them Peruvians, Chileans and Colombians.

The newspaper ABC earlier this month ran the names and pictures of 50 South Americans who have been repeatedly arrested and then released with the help of lawyers who specialize in such cases. The No. 1 on the list, whom the newspaper identified as Walter Toledo, a Peruvian, had been arrested and released 77 times.

An American tourist who fell victim to the bandits just outside of Barcelona said that when he reported the case to the Guardia Civil, he was shown a book with more than 100 photos of suspects. The American had no difficulty in identifying the four men who had robbed him.

He said the police were sympathetic but told him that even if the men were caught, they would be back on the streets within a few hours. The American, who requested anonymity, said the police seemed angry about the situation but resigned to their inability to do anything more than hand over a routine form for insurance purposes.

One of the policemen even gave the American 2,000 pesetas (about $20) so that he could pay a highway toll and assured him that he would be much safer once he got to France.

Officials of the European Community said the Latin American robbers often took a cheap Aeroflot flight from Lima to Moscow via Havana and Luxembourg and then made their way to Barcelona through France. Because Spain is a member of an agreement guaranteeing passport-free movement across the internal frontiers in the EC, immigration controls between France and Spain are virtually nonexistent.

There is nothing new about the situation in Catalonia. Last year, 1,200 such cases were reported to the police, and probably many more victims left the country without issuing a report.

As more and more people hear about the problem, the bandits have sharpened their methods. They prey on people at solitary picnic areas. They puncture the tires of cars at highway service areas and move in when the motorists stop to change the wheels. They have even been known to force people off the road onto the shoulder.

Even though the victims are a tiny propor-

See BANDITS, Page 5

Kaganovich, Stalin's Feared Enforcer, Is Dead at 97

Roger-Viollet

Lazar M. Kaganovich, center with beard, surrounded by aides during the height of Stalin's rule in the Soviet Union.

By David Remnick
Washington Post Service

MOSCOW — Just hours before the Communist Party Central Committee voted to reject seven decades of Bolshevik dogma on Friday, the last surviving member of Stalin's inner circle, Lazar Moiseyevich Kaganovich, died in his Moscow apartment. He was 97.

The official news program Vremya announced Mr. Kaganovich's death in a few bland sentences just before the sports report. But after Stalin himself, Mr. Kaganovich was the man most responsible for the forced collectivization of the countryside in the late 1920s and early '30s, a devastating campaign that led to the deaths of millions by starvation and the firing squad.

Even if there is no way to calibrate degrees of evil, Mr. Kaganovich must be counted on a par with only a few living tyrants, figures such as Pol Pot and Idi Amin. Mr. Kaganovich, wrote the Soviet historian Roy A. Medvedev, had "on his conscience quite as many crimes as there were on the consciences" of the Nazis hanged in 1946 at Nuremberg under sentence of the International Tribunal.

"He's the last of the Mohicans, the last Stalinist," said one of Mr. Kaganovich's neighbors, Valeri Yermolayev. "Frankly the man was up to his elbows in blood."

As the mayor of Moscow in the 1930s, Mr. Kaganovich built the city's subway system at the cost of hundreds of lives and was responsible for the destruction of dozens of priceless monuments and cathedrals.

Mr. Kaganovich rose to the office of peoples commissar and was a constant presence at Stalin's side and often considered the No. 2 man in the leadership. Nikita S. Khrushchev once

See STALIN, Page 5

Israel's New Demands on Talks

It Insists U.S. Must Answer a Wide Range of Questions

By Jackson Diehl
Washington Post Service

JERUSALEM — Israel has presented the United States with a variety of new questions and demands about a proposed Middle East peace conference, ranging from how Palestinians would make decisions among themselves to how the invitations would be worded, and will not announce its decision on whether to attend until it receives answers from Washington, officials here said Friday.

As a result, government sources said, it is unlikely that Prime Minister Yitzhak Shamir will respond to the Bush administration's call to attend the conference before the U.S.-Soviet summit meeting next week, as U.S. officials had hoped.

"We are waiting for American answers on a variety of issues," said an Israeli official. "I doubt very much whether it can all be brought together before the summit."

Mr. Shamir disclosed earlier this week that he had asked the Bush administration to confirm that Palestinians from East Jerusalem would not be included in a joint Jordanian-Palestinian delegation at the conference. While this remains the most sensitive issue about the negotiations, officials here said Friday that they had also asked for U.S. clarifications and assurances on a range of other issues.

The officials said Israel wanted to know how the Jordanian-Palestinian delegation would be led, how it would make its decisions, who would speak for it at the opening session of the conference, and under which flag it would sit. According to Israel radio, Mr. Shamir has demanded that the Jordanian foreign minister speak for the delegation at the opening session. The radio also said Israel has demanded to see a copy of the invitation to the conference before it is sent out.

The Israeli demands have forced the United States into sensitive negotiations with Palestinians, both in the West Bank and Gaza and abroad, officials said. Israeli officials said they believed the Bush administration was negotiating indirectly with the Palestine Liberation Organization through French and Swedish diplomats.

Faisal Husseini, the East Jerusalem Palestinian who has led a delegation in several rounds of talks here with Secretary of State James A. Baker 3d, was in Sweden on Friday for a meeting with the Swedish officials. Mr. Husseini and his West Bank supporters have continued to insist this week that East Jerusalem be represented in the talks.

In an interview with the Jerusalem Post, Foreign Minister David Levy said that Mr. Baker might return to Jerusalem next week to show the government a list of Palestinians to be included in a delegation. "I'm waiting to receive an announcement that Baker has succeeded and that there is a delegation, and that we can see the list," the Post quoted Mr. Levy as saying.

Mr. Levy hinted that if the United States and Israel could reach an agreement on the Palestinian delegation, Mr. Shamir would soften his stance on two procedural issues that caused him to reject the conference proposal last month. Referring to the delegation, Mr. Levy said, "this is the main problem; the rest of the things we'll overcome together."

A poll published Friday by the newspaper Yediot Ahronoth showed Israeli opinion shifting strongly in favor of participation in the conference. The paper said 78 percent of Israelis want the government to accept the U.S. proposal, while 17 percent said it should refuse. The results came from a telephone poll conducted Tuesday and Wednesday, the paper said.

■ Settlement Incentives

The Israeli government, in its drive to bring more Jewish settlers to the occupied West Bank and Gaza Strip, will give away housing plots free of charge, a Defense Ministry official said Friday, The Associated Press reported from Jerusalem.

The official, Danny Naveh, was confirming a report in the leftist newspaper Davar, which said that the government approved the plan several months ago at the urging of Defense Minister Moshe Arens, but never made it public.

Jacqueline Arzt/The Associated Press

An Israeli border policeman checking a Palestinian's identity papers in East Jerusalem on Friday.

Yugoslavia Calls Cease-Fire in Croatia

Compiled by Our Staff From Dispatches

BELGRADE — Yugoslavia's collective presidency issued an order Friday for an immediate cease-fire in Croatia and a return of federal army troops to barracks.

In a statement, the presidency said the situation in the breakaway republic threatened "to degenerate into general warfare." It called for an immediate end to hostilities before an urgent search for a political solution.

As fighting continued in Croatia, a German journalist, Egon Scotland, working for Süddeutsche Zeitung, was killed while driving near Prekupa, in the Glina region.

The presidency called for the "demobilizing of the Yugoslav Army reservists and the return of federal army units to barracks."

The search for a negotiated solution to the deteriorating situation in Croatia would involve an end to attacks on both Croat- and Serb-inhabited areas, on installations of the Croatian police and other authorities, and on members of the federal army, according to the statement.

Moves to effect a cease-fire must begin immediately, the presidency said. It added that it was essential to disarm paramilitary and other armed groups as well as to demobilize police and federal army reservists to bring about "a permanent easing of tension."

Under the cease-fire terms, the Croatian armed forces would no longer be sent into crisis areas populated mainly by Serbs.

According to the statement, the decisions were reached unanimously by the eight-member federal presidency.

But the Yugoslav head of state, Stipe Mesic, a Croat, did not support this last measure, and Janez Drnovsek, the representative of Slovenia, which like Croatia is seeking to secede from the federation, did not vote.

As the presidency met in Belgrade, the leaders of six European countries began talks Friday in the Adriatic resort of Dubrovnik, focusing on Yugoslavia's monthlong spate of violence. The foreign ministers of Italy, Austria, Hungary, Czechoslovakia, Poland and Yugoslavia were trying to draft a statement that would help to curb bloodshed.

The talks were held amid ominous signs of another round of fighting.

Serbian guerrillas killed a Croatian policeman in an ambush between the villages of Otacac and Gospic near the Adriatic. This pushed the death toll above 50 in fighting between Roman Catholic Croats and Orthodox Serbs in one week, the police said.

More than 80 mortar rounds rained down on the village of Glina, 50 kilometers (30 miles) south of Zagreb, the capital of Croatia. The guerrillas, fighting on behalf of Croatia's 600,000-strong Serbian minority, have since June 25 carried out attacks daily on a group of villages around Glina.

The fighting faded after the Yugoslav Army, which has ostensibly been maintaining a buffer zone between Croats and Serbs, fired a warning shot from a tank cannon, wrecking a Roman Catholic church steeple in Vidusevac.

The Red Cross said Friday that more than 44,000 Serbs and Croats had registered as refugees in the last month since leaving their homes in border areas between Croatia and Serbia.

Croatia and Slovenia declared independence on June 25 from the central government long dominated by Serbia. The government is taking measures that may allow Slovenia to secede. But Serbia and other republics oppose the secession of Croatia, which has a large minority of ethnic Serbs.

In Zagreb on Friday, Croatian leaders called for federal soldiers who had committed "war crimes" to stand trial. According to the Tanjug press agency, Croatia has written to central authorities accusing the federal army of "brutally attacking Croatian territory."

(AFP, AP, Reuters)

Belgrade Orders Arms Held in Port While Buyer Is Identified

Compiled by Our Staff From Dispatches

BELGRADE — Yugoslav longshoremen have begun unloading seven ships carrying about half of a 35,000-ton shipment of airplanes, tanks and other weapons believed to have been sent from Lebanon to an unknown buyer, according to officials and news reports.

Officials said the papers accompanying the cargo of arms — described as "enough to equip an army of 100,000 men" — did not identify its next destination. They said that the arms would be stored in a special warehouse in the free-trade zone of the port of Bar, on the Adriatic coast of Montenegro, until the information was obtained.

In Beirut, a government official said Friday that the main Christian militia, the Lebanese Forces, had sold weapons worth $330 million to the secessionist Yugoslav republic of Slovenia.

But a militia spokesman, George Abdel-Massih, denied any such sale, either before or after the Lebanese Forces agreed to disarm under an accord to end Lebanon's civil war.

Earlier, sources close to the Lebanese Defense Ministry had said that military equipment totaling $350 million had recently been shipped to Yugoslavia by Christian and Druze militias, which have been reducing their stockpiles in compliance with the government-sponsored disarmament policy.

Those sources said it was not known whether the equipment was the same cargo that arrived in Bar.

They said unidentified intermediaries had arranged the sale to unknown buyers of $250 million in arms from the Lebanese Forces, headed by Dr. Samir Geagea, and $100 million in arms from the Progressive Socialist Party militia of Walid Jumblatt, the Druze leader.

The equipment included at least eight helicopters, originally supplied to the Lebanese Forces by Iraq, and more than 50 Soviet-made tanks, the sources said.

The Lebanese government official said the 27,000-ton consignment to Slovenia included four French-made Gazelle helicopter gunships, several patrol boats, many types of artillery, multibarreled rocket launchers and ammunition.

He said the ships sailed from the Christian-controlled port of Jounieh, about 20 kilometers (12 miles) north of Beirut, during the first two weeks of June. He said the sale was negotiated through an unidentified German arms dealers.

Denying this, Mr. Abdel-Massih, the Lebanese Forces spokesman, said, "There have not been any arms shipments by us to anyone in the last two months."

He said that before that, much of the heavy and medium arms were returned to the source that provided them, Israel, and that some of the weapons had been stored "in certain places abroad." He declined to elaborate.

The shipment to Bar was disclosed by Politika, the main newspaper of Serbia's Communist government, and commanded intense local attention because of the ethnic strife between Serbs and Croats that threatens to erupt into war in Yugoslavia.

Vojislav Perovic, the director of Bar Transit, the cargo-handling company contracted to unload the ships, insisted that none of the weapons would be employed in the Yugoslav conflict.

"We still do not know the final destination, but absolutely not one piece will be used in Yugoslavia," he said in a telephone interview.

Mr. Perovic said the Yugoslav federal ministries of Defense, Foreign Affairs and Interior had given permission for the equipment to be held in the Bar warehouse until he learned its destination.

"We are awaiting the papers to direct the shipment to the next destination," he said.

He said the longshoremen had begun unloading 15,104 tons of helicopters, speedboats, ammunition and small arms. Politika said the cargo included planes, tanks, artillery, artillery shells and uniforms.

"It is only about half of the shipment that will pass through the free-trade zone of the port of Bar and I do not know exactly how many more ships will come," Mr. Perovic said.

He declined to disclose where the ships and cargo had originated, but Politika said the arms came from Lebanon and the ships from Cyprus.

Officials said that the $5 million contract signed by the Bar port authorities called for about 35,000 tons of weapons to be unloaded and re-exported through next June.

Politika quoted Ivan Zivkovic, the head of the port's Belgrade office, as saying that harbor officials had signed the contract last month in the Bulgarian capital of Sofia with the Bulgarian Directorate of Explosive Materials and Intora AG, a company based in Zurich, Switzerland.

He said the arms were enough "to equip an army of 100,000 men."

(UPI, AP)

Germans Plan to Destroy Their Inherited SS-23s

Reuters

BONN — The government confirmed Friday that it had inherited 24 Soviet-made SS-23 ballistic missiles when East and West Germany were unified last October.

It said the missiles were not covered by a U.S.-Soviet arms treaty but that it intended to destroy them anyway.

Washington said Wednesday that it was pressing for the destruction of 72 SS-23s in Bulgaria, Czechoslovakia and Germany that it believed were covered by the treaty, which covers intermediate-range nuclear forces. On Thursday, the Bulgarians said they did not intend to destroy their seven SS-23s.

As far as the German missiles are concerned, a Defense Ministry spokesman said at a news conference: "The fuel is very poisonous. We are still working out a plan for safely destroying the missiles, but we expect to be able to get rid of them by the end of 1994."

To our readers in Berlin
You can now receive the IHT hand delivered to your home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

ADVERTISEMENT

In Memory of My Brother
MOHAMMAD REZA PAHLAVI
The Late Shahanshah of Iran

July 27, 1991 marks the 11th anniversary of the passing of my beloved brother Mohammad Reza Pahlavi, the late Shahanshah of Iran. His love for his country, his progressive outlook, his belief in the rights of men and women to pursue their vocations in freedom, equality and dignity, and his humane approach to statecraft have assured his place in history as one of the most patriotic and far-sighted of Iranian leaders. He lives in his people's memory, in the countless blessings he receives as they remember and compare the hope and joy of life under his reign with the despair and horror of the Islamic Republic.

History has vindicated Mohammad Reza Shah's policies and his vision for Iran's future. His message was that the proper policy for Iran was to seek peace with the world, to look forward to a future of constructive interaction with other nations, to carve out a niche in the marketplace of ideas, to become a player on the scene of history. He said the world has a reality that cannot be wished away, that must be grasped in its objective sense if it is to be dealt with intelligently. To the end, he remained faithful to his cherished vision of a peaceful, prosperous and progressive Iran.

Iran has now come almost full circle. Values that were advanced and realized during Mohammad Reza Shah's reign are now voiced by the Islamic Republic as its major ambitions. Khomeini's virtues of death and martyrdom are being traded by his cohorts and heirs for fantasies of full employment, high productivity and economic reconstruction. The Islamic Republic, the very cause of Iran's economic destruction and political bankruptcy, is now hopelessly torn between its devotion to fundamentalism, which is the foundation of its legitimacy, and the requirement of attending to the economic and social needs of its citizens, which is the mandate of history. Caught in an impasse, the regime plays a bizarre game, simultaneously pressing toward normalcy and persisting in revolutionary posture. On the one hand, the president of the Islamic Republic, the so-called "moderate" face of the regime, posing as an advocate of reconstruction invites Iranian professionals and entrepreneurs in exile to return to their own country; on the other hand, the regime's other face, reflected in the Islamic legislature and judiciary, threatens to try the same entrepreneurs and professionals in its infamous kangaroo courts.

There is no future for Iran or for Iranians as long as the Islamic Republic remains in power. There is an insurmountable contradiction between the Islamic Republic's fundamentalist world view and the requirements of sane, democratic and constructive government. To break out of this impasse, Iranians must work together to change the Islamic Republic. They must pressure the regime to deliver on its economic promises, to satisfy the basic principles of individual human rights and to restore to citizens their cultural, social and political freedoms; they must work together to produce a political alternative to this regime; and, most importantly, they should not, under any circumstance, sell themselves short by mistaking the regime's tactical maneuvers for genuine structural change.

My brother predicted that policies pursued by the Islamic Republic would ruin Iran. He was correct. He also said that it would not be long before Iranians would rise to reclaim their place in history. Iranians will pay him the greatest homage if they make his second prediction also come true.

God bless his soul.

ACHRAF PAHLAVI
12 Avenue Montaigne
Paris 75008, France

WORLD BRIEFS

Bush Frees Kuwaiti Assets in U.S.

WASHINGTON (Reuters) — President George Bush signed an executive order Friday releasing billions of dollars of Kuwaiti assets that were blocked after Iraq's invasion nearly a year ago and another continuing sanctions against Baghdad, the White House announced.

Mr. Bush said he extended the emergency order he issued against Iraq soon after its invasion of Kuwait on Aug. 2 "because the government of Iraq has continued its activities hostile to U.S. interests in the Middle East."

The order keeps the trade ban in place and continues the freeze on Iraqi assets. In a separate directive, Mr. Bush said Iraq's ouster from Kuwait and the reinstatement of the Kuwaiti government had eliminated the need for continuing a freeze on Kuwaiti assets in the United States.

Madagascar Crisis Talks Break Down

ANTANANARIVO, Madagascar (Reuters) — Talks aimed at ending more than six weeks of strikes and anti-government demonstrations in Madagascar broke down on Friday over the detention of senior opposition members.

News that the church-mediated talks had collapsed came soon after the opposition said two people died in protests against the government of President Didier Ratsiraka in the port of Toamasina on Thursday. If confirmed, the deaths would be the first in a mainly peaceful protest campaign that has put Mr. Ratsiraka under pressure to step down.

According to a joint statement after the talks broke up, the opposition will not participate in further negotiations until the government releases detainees arrested this week. Opposition sources say five people have been held.

Dutch to Develop Anti-Stealth Radar

THE HAGUE, Netherlands (AP) — A military electronics company in the Netherlands will produce a prototype radar system by 1995 that will be capable of detecting U.S. Stealth bombers and other radar-evading aircraft, the Dutch Navy said Friday.

The navy commissioned the development of the radar, known as Smart-L, by Dutch Signal Instruments, a navy spokesman said. The project, at a cost of 50 million guilder ($25 million) is to create a system that can detect all currently known types of radar-evading aircraft, said a spokesman for the company, Aad Marseille.

The sleek, angled body of the Stealth bomber is made of a radiation-absorbing material. Only weak, distorted signals bounce off its surface, scattering in many directions and fooling enemy radar. The new radar will use high-powered computers and three-dimensional imaging to distinguish even the faintest, most distorted signals from common atmospheric noise, Mr. Marseille said.

Germany Appeals to Iran and Syria

BONN (Reuters) — A spokesman said Friday that the Foreign Ministry had asked Iran and Syria to help seek the freedom of two German hostages in Lebanon.

"Iran and Syria have the greatest influence," the spokesman said. "Both have been approached." But he said that Bonn was not seeking to negotiate directly with the kidnappers of Heinrich Struebig, 50, and Thomas Kemptner, 30, who were seized in May 1989.

Bonn this week received an ultimatum demanding proof of the well-being of two Lebanese jailed in Germany for murder and kidnapping; otherwise, it said, there would be "negative action" against the German hostages. Bonn issued a statement to saying that the Lebanese prisoners were "in good health."

Bulgaria Finds More Leaks at N-Plant

SOFIA (Reuters) — Two more radioactive "hot spots" have been found at the Kozloduy nuclear power plant in Bulgaria, which has been ruled unsafe by international experts, its director said on Friday.

Zahari Bojadjiev, the director, said radiation at one leak was 20 times above permitted limits and the level at the other was just inside the limits. Another leak was found and sealed earlier this week, Mr. Bojadjiev said that there was no surface pollution and that the areas had been isolated.

Experts from the International Atomic Energy Agency ruled last month that the two oldest of six reactors were unsafe and described the staff at the aging Soviet-made plant near the Romanian border as inadequately trained and demoralized. The government agreed to shut down the two units by Sept. 15. But the authorities say they cannot afford to shut the entire plant, which provides 40 percent of Bulgaria's electricity, and they are trying to find $1 billion for a total overhaul.

TRAVEL UPDATE

Belgium's regional governments have endorsed a compromise plan for a new high-speed train link, clearing the way for the country to join a planned European network. Officials hope that the project, which will link Belgium with France, the Netherlands, Germany and Britain, will ensure that Brussels remains the home of the European Community. Work is scheduled to begin next year. *(Reuters)*

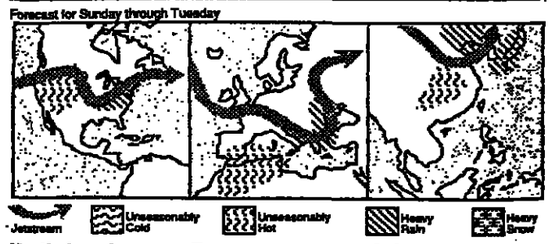
Slovenian airspace, closed by federal authorities a month ago after the republic's declaration of independence, was reopened to international traffic early Friday, the director of Ljubljana's airport said. *(AFP)*

Italy has taken a first step toward deregulation of its air transport industry, agreeing to let airlines other than Alitalia fly certain domestic routes. Alisarda, which will change its name to Meridiana in September, is set to increase its routes from 20 to 50. It could virtually gain control of flights originating in Florence and Verona, and has been given the route from Rome to one of Milan's two civilian airports, Malpensa. *(AP)*

Soviet air controllers called a strike Friday for Aug. 10 to press claims for higher pay, shorter hours and longer leave. Many international flights between Europe and the Far East pass through Soviet airspace. *(Reuters)*

The Weather

Forecast for Sunday through Tuesday



North America
In the United States, locally heavy rains will bring relief from the drought to areas in the Middle Atlantic states and the central Appalachian Mountains Sunday into Tuesday. Hot weather will extend from central California to western Minnesota.

Europe
France through Germany will be dry and warm Sunday and Monday. Showers are possible by Tuesday. A storm will bring rain and heavy thunderstorms to the southwestern USSR, the Balkan Countries and western Turkey Sunday into Tuesday.

Asia
Typhoon Caitlin will threaten southwestern Japan and southeastern Korea with soaking rains and high winds Sunday into Monday. Rains may be heavy in Beijing too. Elsewhere, plenty of hot, humid weather is in store with scattered thunderstorms.

Europe

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Algarve	32/89	21/70 s	33/91	22/71 pc
Amsterdam	24/75	17/62 s	23/73	18/64 s
Athens	29/84	18/64 t	29/84	19/66 s
Barcelona	31/88	19/66 s	33/91	22/71 pc
Belgrade	25/73	14/57 sh	21/70	15/59 sh
Berlin	22/71	13/55 s	24/75	14/57 s
Brussels	24/75	16/61 s	26/79	17/62 s
Budapest	22/71	15/59 sh	23/73	15/59 c
Copenhagen	22/71	14/57 c	21/70	15/59 pc
Costa Del Sol	35/95	23/73 s	33/91	23/73 s
Dublin	22/71	13/55 pc	24/75	17/62 pc
Edinburgh	21/70	12/53 pc	23/73	15/59 pc
Florence	27/80	17/62 pc	28/82	18/64 s
Frankfurt	22/71	14/57 s	28/82	18/61 s
Geneva	24/75	14/57 s	26/79	17/62 s
Helsinki	22/71	13/55 pc	19/66	12/53 s
Las Palmas	31/88	23/73 s	31/88	22/71 pc
Leningrad	24/75	13/55 pc	21/70	12/53 pc
Lisbon	32/89	19/66 s	28/82	18/64 s
London	27/80	13/55 s	28/82	17/62 s
Madrid	34/93	20/68 s	36/97	22/71 s
Milan	25/77	16/61 s	27/80	18/61 s
Moscow	27/80	15/59 pc	24/75	13/55 s
Munich	19/66	14/57 s	25/77	16/61 s
Nice	28/79	16/61 s	27/80	19/66 s
Oslo	22/71	14/57 pc	23/73	15/59 pc
Paris	25/79	16/61 s	29/84	18/64 s
Prague	23/73	14/57 s	26/79	15/59 s
Reykjavik	13/55	8/46 r	16/61	5/41 pc
Rome	27/80	17/62 pc	31/88	18/61 s
Stockholm	21/70	13/55 pc	22/71	13/55 pc
Strasbourg	22/71	16/61 s	27/80	17/62 s
Venice	26/79	17/62 pc	28/82	18/64 s
Vienna	21/70	13/55 sh	24/75	14/57 s
Warsaw	19/66	14/57 c	24/75	14/57 s
Zurich	23/73	14/57 s	23/73	16/61 s

Middle East

Ankara	26/79	17/62 t	24/75	18/61 t
Beirut	32/89	21/70 pc	32/89	22/71 pc
Cairo	33/91	19/66 pc	34/93	20/68 s
Damascus	34/93	18/64 s	32/91	18/64 s
Istanbul	25/77	17/62 r	25/77	15/61 r
Jerusalem	33/91	19/66 pc	31/88	21/70 s
Riyadh	42/107	26/79 s	42/107	25/77 s

Oceania

Auckland	16/61	8/46 sh	14/57	7/44 pc
Sydney	17/62	7/44 s	17/62	6/43 pc

Asia

	Today High C/F	Today Low Wx C/F	Tomorrow High C/F	Tomorrow Low Wx C/F
Bangkok	33/91	25/77 t	33/91	26/79 t
Beijing	33/91	24/75 pc	33/91	24/75 pc
Hong Kong	33/91	27/80 pc	33/91	28/82 pc
Manila	30/86	26/79 r	32/89	26/79 sh
New Delhi	39/102	29/84 pc	38/100	29/84 pc
Seoul	30/86	22/71 pc	30/86	23/73 pc
Shanghai	34/93	24/75 pc	32/89	21/70 t
Singapore	32/89	26/79 pc	32/89	26/79 pc
Taipei	34/93	24/75 pc	34/93	24/75 pc
Tokyo	29/84	25/77 r	29/84	26/79 sh

Africa

Algiers	32/89	20/68 s	35/95	19/66 s
Cape Town	16/61	9/48 pc	16/61	8/48 pc
Casablanca	33/91	19/66 pc	33/91	20/68 pc
Harare	29/84	12/53 pc	28/84	11/52 pc
Lagos	29/84	25/77 pc	30/86	26/79 pc
Nairobi	22/71	12/53 pc	22/71	11/52 pc
Tunis	31/88	21/70 s	31/88	21/70 s

Latin America

Buenos Aires	14/57	3/37 pc	13/55	2/35 pc
Caracas	31/88	24/75 pc	32/89	24/75 pc
Lima	19/66	14/57 r	19/66	14/57 pc
Mexico City	24/75	15/59 t	25/77	16/61 pc
Rio de Janeiro	24/75	19/66 pc	24/75	14/57 pc

North America

Anchorage	22/71	11/52 pc	18/64	12/53 c
Atlanta	31/88	21/70 t	29/84	21/70 t
Boston	27/80	18/64 sh	28/82	18/64 pc
Chicago	27/80	14/57 pc	29/84	16/61 pc
Denver	29/82	14/57 t	31/88	15/61 t
Detroit	26/79	19/66 pc	27/80	14/57 pc
Honolulu	31/88	23/73 pc	32/89	23/73 pc
Houston	34/93	22/71 t	34/93	22/71 t
Los Angeles	26/79	18/64 s	27/80	19/66 pc
Miami	32/89	25/77 pc	32/89	26/79 t
Minneapolis	26/79	16/61 t	29/84	19/66 s
Montreal	25/77	14/57 pc	24/75	13/55 pc
Nassau	33/91	25/77 t	33/91	24/75 pc
New York	27/80	20/68 sh	28/84	19/66 pc
Phoenix	41/106	28/82 s	41/106	28/82 s
San Fran.	23/73	13/55 pc	24/75	13/55 pc
Seattle	20/79	13/55 pc	26/79	14/57 pc
Toronto	24/75	13/55 s	25/77	15/59 pc
Washington	30/86	20/68 sh	31/88	20/68 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.
All maps, forecasts and data by Accu-Weather, Inc.©1991

Trade Pact: Bush to Tell Gorbachev Of Progress

By Stuart Auerbach
Washington Post Service

WASHINGTON — President George Bush is expected to announce at his Moscow summit meeting next week with Mikhail S. Gorbachev that he will submit for congressional ratification the U.S.-Soviet trade agreement signed last year, senior administration officials said.

The decision came after Soviet officials agreed to tighten laws against piracy of U.S. products ranging from high technology to films, officials said. Movies became the final stumbling block last month after the Motion Picture Association of America complained that the Soviet government itself was engaged in pirating films.

Administration officials said the Soviets agreed to enact stiff anti-piracy laws after Secretary of State James A. Baker 3d took up the issue with Foreign Minister Alexander A. Bessmertnykh in London last month.

By the time U.S. specialists arrived in Moscow last week, the Gorbachev government was ready and the assurances that the Bush administration wanted before it would allow the trade agreement to go forward for ratification, administration officials said.

The agreement was signed by Mr. Bush and Mr. Gorbachev in June 1990 in Washington at the height of the Soviet leader's power. Even though Mr. Bush wanted a delay until the Soviet parliament approved legislation allowing free emigration of its citizens, especially Soviet Jews. Even after passage of such legislation this spring, however, Mr. Bush held up submitting the trade pact to Congress.

Concluding the five-year-old trade pact has been a longtime objective of Mr. Gorbachev, tangible evidence of the era of the commercial ties that he created between the superpowers for 20 years and the beginning of increased sales of Soviet products in the U.S. market.

Financially, it would pave the way for the Soviet Union to gain most-favored-nation status, allowing Soviet imports the lowest possible tariffs levied by the United States.

Although ratification of the pact and granting of most-favored-nation status to the Soviet Union will be symbolic values, it is unclear whether actual help it would give the Soviet economy in earning badly needed hard currency.

Tariffs would be lower — the average tariff on vodka would drop as much as $1.25 — but Commerce specialists are not sure that products from the Soviet manufacturing sector would be attractive to American industry and consumers.

And U.S. officials, including Secretary of Commerce Robert A. Mosbacher, have noted reluctance among senior Soviet bureaucrats to favor exports of such natural resources as oil and timber, principle sources of hard currency.

U.S.-Soviet trade totaled just over $4 billion last year, slightly more than the average monthly trade deficit the United States ran with Japan. The United States ran a $2 billion trade surplus, and the largest part of U.S.-Soviet trade was American grain sales.

ACROSS
1 Hamelon's problem
5 Wars, to Sophocles
8 — the Sheriff (1974 film)
14 Galatea originally
15 Remains in a tray
16 Security trouble
17 Beat the goalie
18 Infuse with oxygen
19 "Where Babies Come From"
20 Tangled stuff
21 Musical suite
23 Process perturber
24 Actress — Dawn Chong
25 York symbol
26 Ignite severely
28 — Stevens (TV's Peter Gunn)
30 Accent aigu
31 Cher's licensed cousin
32 Kin of Micmacs
33 Fern grouping
34 Tax-deferred acct.
37 Is authorities by dividing
39 Bridge requirement
41 Took command
43 Garden spot
45 Perpetrate
47 — Lazy River"
48 Final checks for harpoon
51 Refrigerant
52 Character actor Penny
53 Sign on a staff
54 Earl — Hines, jazz pianist
56 Work on pumps
58 — live and breathe!"
59 Property talk
60 Egypt.-Syr. alliance: 1958-61
61 Simone Tuesday follower
62 E.A. part
63 Not at all
65 Badger
67 Chevy's "Foul Play" co-star
69 Teen riders
69 Fashionable
71 String beans
82 Path for Pluto
83 Cupola
84 Tag-team victories
87 Ziegfeld
88 Creative graduate course
91 "Gloria in Excelsis —"
92 Skirted the basket
94 Trio of trios
95 Castor's slayer
96 Don — de la Vega (Zorro)
98 Grate glower
99 They pull in pushers
100 Examinee's [illegible] F
101 Upolu native
102 Release
103 Toy-pistol [illegible]
104 Make tracks
106 Ascribe
107 Meditative discipline
108 Customary itinerary
113 Road ending
114 Prior to, to Prior
115 Czech. neighbor
116 A democrat is one
117 Bat Masterson's weapon
119 Italian bread?
120 Personification of reckless ambition
121 Anvil location
124 Decorative design
129 Aid an Italian town
134 Small role in "The Road to Morocco"
136 Kind of engine
137 Runs amok
138 Frankenstein's flunky
139 One of us
140 Unwavering
141 One year's record
142 Roric
143 Use the VCR

DOWN
1 Speak hoarsely
2 Hammett canine
3 Heyerdahl
4 Spanish muralist

RLD BRIEFS

Kuwaiti Assets in U.S.

Crisis Talks Break D

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L UPDATE

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The agreement was signed by Mr. Bush and Mr. Gorbachev in June 1990 in Washington at the request of the Soviet leader, even though Mr. Bush wanted a delay until the Soviet parliament approved legislation allowing free emigration of its citizens, especially Soviet Jews. Even after passage of the emigration bill this spring, however, Mr. Bush held up submitting the trade pact to Congress.

Concluding the 3-year-old trade pact has been a longtime objective for Mr. Gorbachev, tangible evidence of the end of the commercial war that has existed between the superpowers for 40 years and the beginning of increased sales of Soviet products to the U.S. market.

Practically, it would pave the way for the Soviet Union to gain most-favored-nation status, allowing Soviet imports the lowest possible duties levied by the United States.

Although ratification of the pact and granting of most-favored-nation status to the Soviet Union will have symbolic value, it is unclear how much actual help it would give the ailing Soviet economy in earning needed hard currency.

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Eugene Garcia/Agence France-Presse

The Milwaukee suspect, Jeffrey L. Dahmer, center, hearing the charges against him in court.

Police Left One Victim With Killer

The Associated Press

MILWAUKEE — Three police officers who let a convicted child molester keep a bloody, naked teenager with him in May, two months before the boy was found dead in the man's apartment, have been suspended, the police chief said Friday.

The boy's body was among 11 dismembered bodies found earlier this week in the apartment of Jeffrey L. Dahmer, 31.

"There is no doubt I am taken aback by this information," Police Chief Philip Arreola said in referring to the three officers' actions.

Mr. Dahmer has admitted drugging, strangling and dismembering 11 people in the apartment, according to court records. So far he has been charged with four counts of murder. Authorities believe he is responsible for 17 killings over the past 10 years and say more charges are likely to be lodged. He is being held on $1 million bail.

One of Mr. Dahmer's victims, a 14-year-old boy, disappeared May 26 on his way to soccer practice. His younger brother had been molested in Mr. Dahmer's apartment in 1988, and Mr. Dahmer was on probation for that crime.

Two women have identified the 14-year-old from pictures as the boy they saw two months ago fleeing from Mr. Dahmer.

Nicole Childress, 18, and a cousin called the police and reported having seen the boy, disoriented and bleeding, running on a street near Mr. Dahmer's apartment.

"He was struggling. He was reaching out to me for help," Ms. Childress said. "I think about this every day."

Mr. Dahmer apparently convinced the three officers that the boy was 19 and that the two lived together and had been drinking.

"This could have all been prevented," Ms. Childress said. "If they had listened that night, that little boy would still be alive and all the others wouldn't be dead."

Chief Arreola said that the officers would be suspended with pay until the incident had been fully investigated and that he would take whatever action was warranted.

"I have confirmed on May 27 members of the Milwaukee Police Department had contacted the accused Jeffrey Dahmer and the victim. This is a matter of grave concern to me and the entire department."

Probation reports and other records released Friday indicate that in the midst of his confessed killing spree, Mr. Dahmer talked about committing suicide because he had lost his job, was in debt and faced eviction from his apartment.

"The client has dirty clothes, is unshaven and during the interviews was yawning as if having problems staying awake," officers wrote in a July 18 probation report obtained by The Milwaukee Journal.

In Los Angeles, Paramount Pictures said it was canceling television ads in the Milwaukee area for a new movie, "Body Parts."

"We pulled our TV ads out of sensitivity to the tragedy in Milwaukee, even though the story line is not related at all to what happened," Harry Anderson, a Paramount spokesman, said.

"Body Parts" tells the story of a criminal psychologist who loses an arm in an accident, has a new arm grafted and later learns the new arm was that of a murderer.

Kennedy Nephew's Lawyers Cry Foul

By Mary Jordan
Washington Post Service

WEST PALM BEACH, Florida — William Kennedy Smith's defense attorneys have asked for sanctions against the prosecutor handling Mr. Smith's rape case because they said she "poisoned" his chance for a fair trial.

Earlier this week, Assistant State Attorney Moira K. Lasch released statements from three women who said they had been sexually assaulted by Mr. Smith. None of the women had reported the alleged attacks to the police, and one of the incidents dates to 1983. Each of the women said that the attack on her occurred the night she met Mr. Smith and that he unexpectedly overpowered her. One used the words "ferocious" and "animal-like" to describe him.

In the unusual motion seeking a hearing to determine an appropriate sanction against Ms. Lasch, Mr. Smith's attorneys argued Thursday that the nationally reported accounts of the women were designed to prejudice future jurors by "having the public believe that Mr. Smith is a bad person."

It was not clear whether the women's sworn accounts of the encounters with Mr. Smith will be admissible in his rape trial, which is scheduled Aug. 5. Mr. Smith, 30, a nephew of Senator Edward M. Kennedy, Democrat of Massachusetts, is charged with a felony count of sexual battery and a misdemeanor count of assault on a Florida woman, 29, on Easter weekend.

Florida allows some evidence of a defendant's past misconduct into court. It can be admissible if it shows a "a pattern or intent." However, comments on past acts that solely prove "bad character or propensity" are barred.

Mr. Smith's Miami attorneys, Roy E. Black and Mark D. Seiden, also said Ms. Lasch's actions throughout the case amounted to a "cynical attempt to sandbag Mr. Smith."

A spokesman for the state attorney's office said, "Even if we could comment on it, we wouldn't."

Brother, Can You Spare a Voucher?

By Katherine Bishop
New York Times Service

BERKELEY, California — It has become a daily urban ritual, provoking annoyance, guilt or pity: The panhandler asks for spare change, and the potential donor must instantly decide whether the money would be spent for food or liquor or drugs.

A Berkeley group has a new idea: a voucher system aimed at ensuring that handouts will be used only for food or other essentials.

Under the program, people can buy 25-cent vouchers from merchants and hand them out in place of cash to spongers. Those receiving the vouchers can redeem them for groceries, meals, laundry services or bus rides.

"Giving out vouchers will discourage cash on the streets for drugs and alcohol," said Jeffrey S. Leiter, president of the Downtown Berkeley Association, a merchants' group. "I don't know that we will discourage panhandling, but we will encourage good panhandling."

The program, a variation on the food-stamp idea, allows the vouchers to be spent like cash in stores. Its backers believe it to be the only program of its kind in the nation.

"I know what it's like to try to convince people that you're going to spend that money on food," said Loren Jones, a former transient who works for the Berkeley Ecumenical Chaplaincy to the Homeless. "This program will preserve the dignity of the homeless."

Backers also hope that the voucher program, which was devised by a coalition including merchants, charitable groups and the University of California, will help rid the streets of aggressive hustlers seeking drug money who have plagued the shopping areas near the university for years.

Coupons can now be redeemed at 10 grocery stores, at delicatessens, at coin-operated laundries and at one bus ticket agency. Thirty-seven other stores are selling vouchers. Organizers hope to expand the program.

The vouchers cannot be redeemed for alcohol or tobacco products, exclusions that have drawn some criticism.

Curtis E. Bray, a spokesman for the Berkeley Homeless Union and who used to be a transient, said: "Some people want to tell homeless people that they have to face problems sober because they're poor. It's not going to happen. It will deter some of the panhandling, but it won't stop it."

Organizers say the program preserves a sense of dignity for the homeless. And allowing the vouchers to be used to do laundry and buy bus tickets enables users to have clean clothing and transportation to job interviews and medical appointments, the organizers say.

U.S. Doubts 'Evidence' On Vietnam MIA Photo

The Associated Press

WASHINGTON — Brent Scowcroft, the White House national security adviser, said Friday there was "no credible evidence" that U.S. servicemen were being held in Vietnam, and that a picture purporting to show three missing fliers appeared to be a fake.

"There are not games being played," Mr. Scowcroft said. "There is no incentive on the part of the United States to conceal anything on this tragic issue."

A grainy photograph purportedly depicting three U.S. servicemen in Southeast Asia had renewed speculation that U.S. soldiers may still be held captive there.

In Hanoi on Friday, the Vietnamese government said it gave the United States evidence that one of the airmen supposedly in the photograph was dead.

The Vietnam News Agency said that officials gave documents to Kenneth M. Quinn, a deputy assistant secretary of state, indicating that the airman, Colonel John L. Robertson, was killed when his F-4C jet crashed south of Hanoi on Sept. 16, 1966. The news agency did not detail the documents.

Mr. Quinn opened talks on the matter Friday with Vietnamese officials. He said the two sides exchanged "very concrete information."

Asked if he thought there were any Americans being held against their will in Southeast Asia, Mr. Scowcroft said: "Well, that's a very personal judgment — no, I do not."

He said that Washington was not trying to conceal information on missing U.S. servicemen from the Vietnam War, and said he did not believe that Vietnam was either.

Mr. Scowcroft said the Defense Department's earlier practice of allowing wide access to war records was taken advantage of by "unscrupulous people" who obtained data and used it to prey on family members of missing servicemen.

"And, indeed, this latest photograph that has gotten such notoriety could conceivably be that kind of a thing," he said.

Vietnamese officials have denied holding any Americans. About 2,300 U.S. personnel who were in the region during the war years remain unaccounted for.

Doctor Who Aided Suicide Is Cleared

He Prescribed Barbiturates for U.S. Cancer Patient

The Associated Press

ROCHESTER, New York — A grand jury has decided not to return a criminal indictment against a doctor who admitted having prescribed barbiturates that a cancer patient used to commit suicide, a prosecutor said Friday.

District Attorney Howard Relin of Monroe County said the grand jury's action "effectively ends" the possibility of criminal prosecution against Dr. Timothy E. Quill.

Dr. Quill said he was "tremendously relieved" that the case was over. "Hopefully, we can now move forward to a more serious debate about the options we allow for severely suffering persons."

The case came to light in March when Dr. Quill, from Rochester, wrote in the New England Journal of Medicine about a leukemia patient he identified as "Diane."

Facing treatment with chemotherapy, full-body radiation and a bone-marrow transplant, the patient decided that her one-in-four chance of survival was not enough. She declined treatment.

Dr. Quill said he had prescribed barbiturates for Diane and had told her how many pills it would take for her to sleep and how many for her to die.

The woman died of a barbiturate overdose 3½ months after she had been diagnosed as having leukemia. Dr. Quill estimated that she would have lived for several more weeks.

Dr. Quill said he had written about the case to get doctors and others to talk more openly about the treatment of terminally ill patients.

Kris Larson, a spokeswoman for the Hemlock Society, which advocates the right to take one's own life, applauded the lack of an indictment.

"I think that juries are seeing this conduct as a compassion, a help," she said. "I don't think they are viewing this as a crime."

Mary Senander, a spokeswoman for the International Anti-Euthanasia Task Force, said the involvement of doctors in patient suicides was "a rejection of over 2,000 years of organized medicine under the Hippocratic Oath and a betrayal of the public trust of doctors."

2-Year Bill On U.S. Aid Faces Veto

The Associated Press

WASHINGTON — The Senate on Friday approved a foreign aid authorization bill for the first time in six years, but the measure headed toward certain presidential veto because it would overturn six years of Republican abortion policy.

The two-year, $28 billion bill was approved 74 to 18. Negotiators will work out a compromise with a smaller version approved by the House.

Final action came after an amendment directing $20 million in U.S. aid to the United Nations Population Fund was accepted by voice vote. Opponents of the amendment earlier had failed by a 57-to-39 margin to kill it.

The Reagan administration halted financing for the UN agency in 1985, objecting to its participation in family planning activities in China. Beijing uses coercive action, including forced abortions and sterilizations, to enforce a one-child-per-family policy.

Although the UN agency itself does not participate in those activities, U.S. policy has been to bar financing as an indirect lever against China's practices.

Senator Paul Simon, Democrat of Illinois, the author of the amendment on aid to the UN agency, noted that the United States was the only major nation that did not support it. The agency serves more than 500 million impoverished women, he said.

President George Bush has made it clear that any reversal of his policies on abortion would be grounds for a veto, and congressional Republicans have said that a veto of the foreign aid measure is virtually certain.

The aid bill provides $14 billion in the fiscal year that begins Oct. 1 for U.S. friends and allies around the globe, and a like amount in fiscal 1993.

Congress has been unable to steer to final enactment any foreign aid authorization bill since 1985, and has had to rely on annual appropriations bills not only for the aid money, but to convey the policy and programs that go with them.

■ Signs of Falsification

Andrew Rosenthal of The New York Times reported earlier from Washington:

The Pentagon said the photograph that reportedly shows three U.S. airmen passed through the hands of known fabricators of such information.

A Pentagon report also said that biographical information accompanying the photograph — including birth dates, Social Security numbers and home addresses of the three men — was false.

The report, issued late Thursday, said that 20 sources, ranging from missionaries to bounty hunters, government officials and refugees, had identified the three men in the photograph as U.S. airmen, but added that none of the identifications was based on first-hand information.

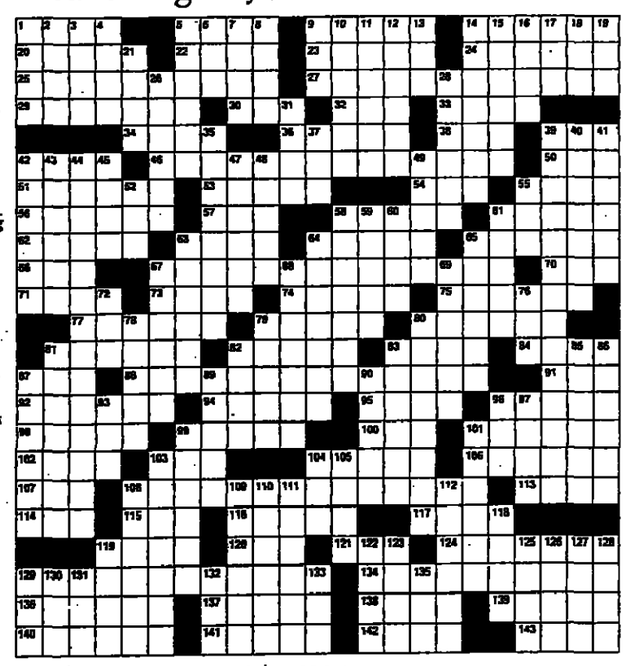
In addition, it said the origins of the picture were suspect. "One principal source of the photograph lies in a ring of Cambodian opportunists led by a well-known and admitted fabricator of POW-MIA information," the report said.

Mauritania Legalizes Parties

The Associated Press

NOUAKCHOTT, Mauritania — The military government legalized political opposition and gave the press its freedom Friday.

Final Changes By Richard Silvestri



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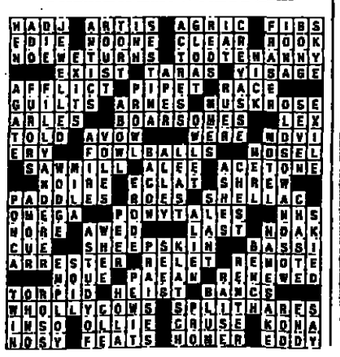
ACROSS
1 Hamelin's problem
5 Mars, to Sophocles
9 "—— the Sheriff," 1974 tune
14 Galatea, originally
20 Remains in a tray
22 Security trouble
23 Beat the goalie
24 Infuse with oxygen
25 "Where Babies Come From"
27 Tangled stuff
29 Musical suite
30 Princess perturber
32 Actress —— Dawn Chong
33 York symbol
34 Injure severely
36 —— Stevens (TV's Peter Gunn)
38 Assent asea
39 CBer's licensed cousin
42 Kin of Micmacs
46 Fern grouping
50 Tax-deferred acct.
51 It multiplies by dividing
53 Bridge requirement
54 Took command
55 Garden spot
56 Perpetrate
57 "—— Lazy River"
58 Final checks for Karpov
61 Refrigerant
62 Character actor Benny
63 Sign on a staff
64 Earl —— Hines, jazz pianist
65 Work on pumps
66 "—— live and breathe!"
67 Property talk
70 Egyp.-Syr. alliance: 1958-61
71 Shrove Tuesday follower
73 B.A. part
74 Not at all
75 Badger
77 Chevy's "Foul Play" co-star
79 Taxi riders
80 Fashionable
81 String beans
82 Path for Pluto
83 Cupola
84 Tag-team victories
87 Ziegfeld
88 Creative graduate course
91 "Gloria in Excelsis ——"
92 Skirted the basket
94 Trio of trios
95 Castor's slayer
96 Don —— de la Vega (Zorro)
98 Grate glower
99 They pull in pushers
100 Examinee's T or F
101 Upolu native
102 Release
103 Toy-pistol ammo
104 Make tracks
106 Ascribe
107 Meditative *discipline*
108 Customary itinerary
113 Road ending
114 Prior to, to Prior
115 Czech. neighbor
116 A democrat is one
117 Bat Masterson's weapon
119 Italian bread?
120 Personification of reckless ambition
121 Anvil location
124 Decorative design
129 Aid an Italian town
134 Small role in "The Road to Morocco"
136 Kind of engine
137 Runs amok
138 Frankenstein's flunky
139 One of us
140 Unwavering
141 One year's record
142 Roric
143 Use the VCR

DOWN
1 Speak hoarsely
2 Hammett canine
3 Heyerdahl
4 Spanish muralist
5 Star in Aquila
6 *Hudson* contemporary
7 Dodge City lawman
8 Terrier type
9 Doctrine
10 Egyptian amulet
11 Malarkey
12 Former President of Nicaragua
13 Start for Ballesteros
14 Siberian sled dog
15 Sideboard display
16 Johnson of "Laugh-In"
17 Make doilies
18 All-purpose trk.
19 Profit chaser
21 Zip over the surface
26 "—— Mater," ancient hymn
28 Male mergansers
31 Served perfectly
35 Stained
37 Hosp. personnel
39 Dreadful place to hole up
40 Parts of irises
41 Way
42 Of religious rites
43 "... a man or ——?"
44 Hairdresser's union
45 Convoy constituent
47 French ruling family of yore
48 Strong brown paper
49 Gripper for the Gipper
52 Coal case
55 Sounds of hesitation
58 Cuban blade
59 Comte de la Fère
60 Spring phenomenon
61 Iron: Comb. form
63 Consecrated oil
64 "Little Shop of Horrors" storekeeper
65 Bookworm
67 Mooched
68 Gives power to
69 More or Mann
72 Anderson's "High ——"
76 Nile reptile
78 Light-amplification device
79 Nice piece of change
80 Monk or monkish
81 Less stocky
82 —— about
83 "—— your fathers thus ...?": Neh. 13:18
85 Undo
86 Squatter in 1889
87 Stand stock-still
89 Unsuitable
90 Feline sound
93 Sat in session
96 Weir
97 Limbs of the Devil
99 Sartre novel
101 Radio transmission
103 Gallant
104 Hit sign
105 Strobile
108 Embossed
109 "Den I wish —— 'Dixie"
110 Saloonkeeper's nemesis
111 Sweat and tears, e.g.
112 Table linen
118 Imprint permanently
119 Actress Hartman
122 It turns litmus red
123 Fad
125 Lacking slack
126 Educator Willard
127 Use a harvester
128 What the "poor dog" had
129 Personals
130 Watch the baby
131 Visit
132 Madrid Mrs.
133 Icel. or Ire.
135 Heap of hay

Solution to Last Week's Puzzle



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BERLIN BAPTIST CHURCH, Rothenburgstr. 13, 1000 Berlin 41, SS 1045, W 1200 + 1900. Tel.: 030-774-4670.

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International Baptist Fellowship. II Bimbo u. 56 (main entrance Tapolcsanyi u. 7, immediately behind front entrance). 10:00 Bible study for youth and adults. 6:00 p.m. worship. Dr. O. Errol Simmons, pastor. Tel.: 115 8759.

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Herald INTERNATIONAL Tribune.
Published With The New York Times and The Washington Post

Playing With the Budget

It was only a matter of time before Congress would begin to test the limits and seams of last year's budget agreement. The Senate finance committee has proposed to provide — but not to finance — additional unemployment benefits for workers who have exhausted the regular 26 weeks. The panel urged the president to cover the cost of the response to the recession by calling it an emergency, which under the budget rules means that it could simply be added to the deficit.

The House appropriations committee demands a similar exemption for $1.75 billion in flood, drought and other disaster assistance to farmers. The administration is resisting, but the committee rightly notes that the president has readily granted emergency status to various grants of aid abroad.

The emergency door is only one of several being tried. The forward funding door is another. All kinds of groups, from the military and space agency to the education lobby, are trying to beat the system by locking up spending in advance. Under the rules, appropriations subcommittees have two limits placed on them: one for spending authority that can be exercised over several years, the other for likely actual spending in the year ahead. The limits do not always match; the Senate appropriations subcommittee on labor, health and human services and education hit its spending ceiling for fiscal 1992 before exhausting its allotted authority.

The appropriations committee has taken back part of the unused authority; education groups are trying to seize the rest. Senator Timothy Wirth will ask the Senate to reserve it for various education programs but defer the spending until fiscal 1993. If he succeeds, that will make it even harder for the subcommittee to live within its likely 1993 spending limit. In that sense the deferral is a forcing device, or as Senator Wirth calls it, a wedge.

One of three things can happen. The subcommittee can pay for the increased education spending by shorting the other social programs in its jurisdiction. The full appropriations committee can give it more money at the expense of other domestic subcommittees (under the budget rules defense is off-limits). Or the election-year pressure can end up such that Congress and the administration simply decide that the budget agreement is too tight and breach it. It is generally accepted that they are likely to do that after the election, anyway, when the agreement will bind even more. Why not before?

Senator Wirth says he is just fighting, fairly, for his good cause. But that is what the Senate finance and House appropriations committees are saying, too. They're all good causes, but in the end, if the deficit is not reduced, they all will be disserved. If Congress wants to spend more on education, fine, but it also needs to indicate where the money is going to come from.

— THE WASHINGTON POST.

Credit It to the Tax Law

Congress, having invented a process for supplementing the earnings of low-paid parents, now seems willing to strangle it in red tape. The treasured innovation is the earned-income tax credit, which Congress expanded to blunt the impact of the 1990 deficit-reduction package on poor families. But in the process it made the tax credit numbingly complex, requiring families to file a dense two-page form with their return.

The danger is that the new schedule will discourage millions from applying for money they need and are entitled to. Unless Congress swiftly amends the new provisions, its humane purpose will be sabotaged.

The earned-income tax credit is a jewel of an anti-poverty weapon, intended to un-tax the poor. It reduces taxes by a percentage of earnings, based on family size. Because the credit applies to working parents, it encourages work. Because the credit applies only to the low-paid, it helps only the needy. And because it is refundable, families too poor to pay taxes receive the credit as cash.

As part of the deficit-reduction bill, Congress raised the basic credit to a maximum of $1,200 for a family with one child and, for the first time, granted larger credits to families with two or more children. But it added two supplemental credits, each with its own restriction.

The first, worth up to $357, is for families with a child under age 1; but families cannot also claim the existing dependent-care tax credit. The second credit, worth up to $428, offsets the cost of health insurance premiums; but families cannot then include the premiums as itemized deductions. These restrictions are reasonable. But they require daunting calculations. Even without them, millions of eligible families fail to apply for their credit. Outreach programs have been helping to raise the percentage of filers. But the new complexities would stifle progress.

The obvious answer: Eliminate the restrictions. The revenue loss would be small. The Center on Budget and Policy Priorities, which studies tax policy and the poor, notes that few poor families itemize deductions or take advantage of the dependent-care credit. Chairman Dan Rostenkowski of the House tax-writing committee is already preparing tax-simplification legislation.

Internal Revenue has worked to write readable forms, but there is still room for improvement. For example, the IRS offers to calculate the credit for applicants if they fill out a single page of information. But they cannot find the offer without plowing through intimidating instructions. If the offer appeared first, applicants could ignore the instructions. Yet even if the forms turn out to be models of clarity, the restrictions hurt much more than they help. If Congress wishes to help the poor, it will revise the law.

— THE NEW YORK TIMES.

Taming Wild West Justice

Back in the days of the Wild West, American bounty hunters had no hesitation about crossing an international border, kidnapping a fugitive and bringing him home for trial. The courts had no problem with such goings on either; a famous Supreme Court decision of 1886 upheld just such a snatch. This past week, however, the U.S. Court of Appeals for the Ninth Circuit in California decided a similar case, moving away from the old precedent and placing a higher value on law and comity among nations than on the immediate goal of bringing an outlaw to justice. It is a thoughtful and persuasive opinion.

Rene Martin Verdugo Urquidez, defendant in the California case, was wanted in the United States in connection with drug offenses including the killing of American DEA agent Enrique Camarena. In 1986 he was taken into custody, allegedly by local Mexican police, transported to the border and handed over to U.S. agents. The State Department acknowledges that the policemen were acting "in cooperation" with American agents and that a reward (reportedly $32,000) was paid. The Mexican government protested the incident as a violation of the U.S.-Mexican extradition treaty, but Mr. Verdugo was nevertheless tried, convicted and sentenced to 240 years in prison.

In spite of the history of judicial acquiescence in the trial of abducted defendants, the appeals court now says the Verdugo case is different. First, the abduction was accomplished not by private individuals but under the direction of the U.S. government. Second, there is an extradition treaty in force, and it has been invoked by the Mexicans. The case now goes back to the trial court for an evidentiary hearing, but surely before Mr. Verdugo is returned to Mexico, it will be appealed to the Supreme Court.

It is satisfying to be able to deal with hoodlums in a peremptory way, and easy to understand why the Department of Justice wants to keep this option. But the appeals court correctly points out the folly of having an extradition treaty and then ignoring it when the formalities are inconvenient.

The United States should also be concerned about the impact of cavalier kidnappings, which invite retaliation and bypass international agreements. The long-range American interest in dealing cooperatively with the Mexican government, not only on narcotics cases but on trade and many other matters, overwhelms any single criminal case no matter how compelling.

— THE WASHINGTON POST.

The Vikings Are Coming!

Deftly upstaging all the ballyhoo that's in the works for next year's 500th anniversary of Columbus's first landing in the Americas, a Viking longboat is even now approaching the coast of Newfoundland to commemorate Leif Ericson's 1,000th. No one knows exactly when Ericson landed — probably not in the year 991, but around then. His exact landfall is also in dispute, but so is that of Columbus. Details, details.

Leaving historical precision to the academics, the governments of Norway and Iceland built three replicas of the sailing ships on which Norsemen of yore prowled the northern seas. One of them, the 78-foot Gaia, is set to land Thursday at L'Anse-aux-Meadows on the northern tip of Newfoundland, where archaeologists have found an early Viking settlement — though none of the vines Ericson is said to have found in his "Vinland." (Newfoundland has renamed itself Vinland for the 24 hours of the big day.)

All three ships will visit New York and Washington in the fall. So will Norway's queen, Iceland's president and both prime ministers. America welcomes visitors, of course, but these in particular had better not speak their purpose too boastfully. Rampant revisionism is fast destroying Columbus's reputation as a bold adventurer, recasting him as a plunderer who ruined the hemisphere and brutalized the natives. Who knows what awaits Ericson if the revisionists get the idea that it was he, not Columbus, who started it.

— THE NEW YORK TIMES.

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OPINION

Civilized Society Requires a Government

By Anthony Lewis

NEW YORK — Over this summer millions of Americans have rediscovered what Ronald Reagan and the new right worked so hard to deny: They need government.

It has been the summer of fiscal crises. New York City and state, California, Connecticut, Massachusetts, Maine and other states have gone through extraordinary struggles to balance their budgets. And all had to make severe cuts in public services.

According to the conservative ideology that bloomed during the Reagan years, Americans should have welcomed those cuts. Government is the enemy, they were told. It wastes their money. Most of what it does, private individuals or institutions could do better. By and large, government should be limited to policing the streets and protecting the national security.

But the state and local budget cuts this summer reminded Americans how many other things governments do that are essential to their well-being. They educate most of the children. They protect the public health. They light the streets, and clean them. They maintain the infrastructure that makes urban society bearable.

Many of those functions suffered in the budget cuts. When public schools open in the fall, they will be even more overburdened and underfunded.

In New York City the work of exterminating rats will be drastically cut; Andy Logan, writing in The New Yorker magazine, figures that in a year the city may have a million more rats.

Then there are the amenities that add up to civilization. Public libraries in Boston and New York and many other cities are forced to reduce their hours and services. There is no money for libraries and schools, or for music classes. Funds for parks and museums are shrinking.

Local governments are not blameless. Their bureaucracy tends to grow and stagnate. New York City has lost population in the last 30 years, but the number of city employees has increased by almost 50 percent. But all the efficiency in the world would not restore services to a desirable level. The money is not there.

As Americans begin to feel the social cost of fiscal crisis, they should also understand where a large part of the responsibility for the crisis lies: with President Ronald Reagan and his anti-government theoreticians. His administration ended revenue-sharing, with painful consequences for local governments. In 1980 federal funds covered nearly 20 percent of New York City's budget. The figure now is less than 10 percent.

In addition to reducing federal support for states and cities, the Reagan administration crimped their tax revenues. That was a side effect of cutting federal tax rates on higher incomes. Because many states link their income taxes to federal returns, their revenues fell.

The result has been, and is, the impoverishment of community life in the United States. And that matters. The Reaganite notion that individuals can do it all for themselves is a chimera. In urban society we cannot live in isolated cocoons — except perhaps for the very rich, and even they feel the effect of spreading ignorance, disorder and squalor in society.

Everyone knows that there are urgent domestic needs in the United States. Take the most obvious. It is a scandal that American children are so ill-educated. It is a scandal that 30 million Americans have no health insurance, that the incidence of measles grows for lack of a universal immunization.

Americans also know, if they'll face reality, what it will take to meet those needs. It cannot be done by glossy, cost-free "reforms." It cannot be done by private initiative, by a thousand points of light. It will take federal leadership and federal money.

But there again the Reagan years sabotaged hope. The administration built the budget deficit up so high that any proposed domestic program now meets the cry: There is no money.

And that is exactly what the right-wing intellectuals intended. They ran up deficits so that government would be unable in the future to spend money for domestic purposes.

It is a formidable legacy to overcome: deliberate starvation of the resources needed for a decent community life. To overcome it will require political leaders able to make us see again the imperative of the community, to understand with Holmes that taxes are the price of civilization.

The New York Times.

A Solution To Bring To the Table

By Stephen S. Rosenfeld

WASHINGTON — If not tenitory for peace — and the Israe- li government insists it rejects this internationally approved formula as a basis for the Middle East negotiations now on the near horizon — then what? What precisely for what? What do the Israelis intend to give up, and what do they mean to receive?

It is prudent to look ahead to this question and to have an answer ready, for when the talks snag on it.

On the Syrian front, the answer is relatively easy. Current official bluster aside, Israel will come down off the war-won Golan Heights in exchange for credible guarantees that its security will not suffer as a result. What is involved here is not a matter of principle or ideology but a hard haggle along the lines that saw Israel return Sinai to Egypt a decade ago.

But any talks on the West Bank necessarily must draw in the history-drenched land and the very real Israeli as well as Palestinian people who live there. This is going to take a different approach from Israel's exchange of the unpeopled, unhistoried Sinai for Egypt's accession to formal peace.

Israel appears to offer much less than what is commonly understood by territory and to expect much less than what most people mean by peace. Instead of territorial transfer, Palestinians would get some form of local autonomy for the short run, with talks on "final status" to come a few years later. Instead of peace, Israel would get initially the sullen working-level cooperation, vulnerable to spasms of unrest and violence, of a bloodied-but-unbowed and still essentially occupied people.

Still, given the prevailing mutual anxieties, this would be a terrific advance. The Palestinians made an immense error by not taking up this option, which 12 years ago Jimmy Carter stitched into the Camp David accords, which are otherwise known for hatching Israeli-Egyptian peace.

If the deal is skimpy, then it may be as much as the political traffic on both sides will bear at this time. But what counts most, of course, is not what outsiders may consider fair, reasonable or at least feasible, although this is not without political importance, but how Palestinians and Israelis living under a new regime will feel.

Israelis have two conditions: that violence against Israelis, in the West Bank and in Israel proper, be contained and that they be allowed to keep living in the territory.

About the first condition there can be no argument, although the occupying or administering power's own role in nourishing Palestinian rage needs to be factored in far more than Israelis have done so far.

But about the second condition there is only argument, since to many Palestinians and others, including the U.S. government, nothing that Israel does is quite so provocative and inflammatory as its policy on extending and thickening West Bank settlements. This is the toughest nut the negotiators must crack to give the process a chance. To crack it, there must be new thinking — actually, a new appreciation of an old idea — about Jewish settlement in the West Bank. How much easier things would be if it had never begun. But it is a fact, and to think of negotiating all Jews out of the territory is to drift into dreamland.

The trouble with Jewish settlement, I would now argue, is not that it takes place but that it takes place without the consent of resident Palestinians and in a context suggesting that Palestinians can finally expect only diminishment and repression in the land they regard as their home.

So the question becomes how to win Palestinian consent for Jewish settlement. The evident answer is twofold: Bring Jewish settlement under mutually agreed terms that leave a life and a future for Palestinians; at the same time arrange the terms on which some Palestinians now living in the West Bank or in the Palestinian diaspora could return to their old homes in pre-1967 Israel.

Such an approach tramples on traditional notions of sovereignty — on the notion that a line must be drawn on a map and that different sovereign states must exercise traditional sorts of control on either side of that line. But that is only to say that the old notions of sovereignty must yield to the requirements of a new day.

Porousness is the idea that will bridge the gap between the two inextricably intertwined peoples, Israelis and Palestinians. It is the crucial quality that must be built into the thinking, borders, daily lifestyles and political arrangements of a Middle East at peace.

The Washington Post.

Witness This Land Of Despair

By Richard Reeves

SOUTHAMPTON, New York — We saw a very good foreign film here the other night, one of those coming-of-age movies in exotic settings. The people were attractive, likable types trying to survive in a hostile environment. The language was a little hard to follow, but the customs and costumes were interesting in a kind of National Geographic way.

It was called "Boyz N the Hood" and it was set in a place called South-Central Los Angeles. The film is the work of a gifted 23-year old black man named John Singleton — from the hood. That's "neighborhood" in white English.

He calls the neighborhood where he grew up a "police state," saying he does not see any difference between being a prisoner of slavery or the Los Angeles Police Department.

I'm not sure I agree. The problem in South-Central is too little policing, not too much. In that hood and hundreds of others all over the United States there are few laws and less enforcement, and an underground economy disconnected from prosperity.

Black people are left to abuse, steal from and kill each other in such enclaves; police patrol the borders, trying to keep such young men away from the rest of us, letting drugs and blood flow in littered streets.

The film has tremendous power as a documentary, again National Geographic style, because it treats such things as ordinary and because the world John Singleton grew up in behind a facade of stucco bungalows and tan lawns is so alien to most of us. It does not look so bad, at least to New Yorkers, but to stay is to die young — one way or another.

Are there really people like that? There sure are, but few whites really know much about it and no white man could make this film. That says something to me about busing — Mr. Singleton's parents saw that he was bused to white schools — and the need for affirmative action so that more blacks will come into our country to tell their stories.

Mr. Singleton is a symbol, I think, of the brave determination of millions of black parents determined to show their children a way out of the American enclaves. The result of that determination, black activism and the civil rights laws of the 1960s and early '70s is that more and more blacks like him are making it big. But the blacks left behind are worse off than ever, living in these foreign places of crazed street warfare, with the dangers of crack and drive-by shootings.

"What's the difference now?" I asked my wife, who was a Los Angeles County social worker in South-Central and Watts just after the Watts riots of 1965.

"It looks almost exactly the same as it did then," she said. "But it is obviously much more dangerous. I drove and walked around those neighborhoods, a 23-year old white woman — pregnant — and I don't remember ever being afraid."

What she remembers most were other pregnant women, black ones, 14 and 15 years old. They are the young mothers of teenagers in the movie, and become grandmothers in their 30s. Three generations in 25 years.

The look of much of Mr. Singleton's film is working-class America, but many of the mothers then and now did not go to jobs. Welfare was their work. In the third generation now, welfare is still a career for the black Southern Californians whose grandfathers and grandmothers came from the South to work during World War I.

With all of that, Mr. Singleton's film is straight American Romantic. "Boyz" is preachy sometimes — urging black Americans to take control of their own neighborhoods and destinies — with more than a touch of Frank Capra's old American dreaming. Hard work and listening to your parents is rewarded, and the reward is going to college — and getting out of the hood.

I think I would prefer a United States invasion of these enclaves, annexing them to the country or the mainstream, as if they really were foreign countries.

This documentary of dreams and despair in a foreign place is the most important American movie this year. This, the good and the bad of it, is what the majority has chosen not to see, the truth we prefer to see walled off by freeways and occupied by the police.

Universal Press Syndicate.

Compassionate Conservatism at Work

By David S. Broder

SACRAMENTO, California — Stu Spencer, the veteran California campaign consultant, describes his friend and sometime client, Governor Pete Wilson, thus: "A guy who runs around looking for bullets to bite. I tell him, 'You don't have to tackle every problem and get into every fight,' but that's what turns him on."

When a reporter quoted Mr. Spencer's comment to the governor the other day, he smiled and said, "That sounds like Stu — a wise man, doubtless wiser than I am." But the Republican accepted it as a just assessment.

It is that quality that makes Mr. Wilson the most interesting and important politician outside the White House today — and potentially a White House contender. In his first year of running the No. 1 state, Mr. Wilson is attempting nothing less than a redefinition of conservatism by tackling the domestic problems shunned by the last two Republican presidents.

Governor Pete Wilson is the most interesting politician outside the White House today.

Other governors also grapple with runaway welfare and health costs, unmet housing and transportation needs, the reform of education and the care of the environment. But no one faces fiscal and policy problems of the scale Mr. Wilson confronts in this nation-state.

What Gladwin Hill of The New York Times wrote in his 1968 book, "The Dancing Bear," is even more true a generation later: "The endless tide of immigration ... and the forced-draft growth of California's economy have made it a kaleidoscope succession of states, changing from year to year, almost from day to day."

Between the time when that was written and 1991, California was governed by three men — Ronald Reagan, Jerry Brown and George Deukmejian — whose differing personalities and political philosophies camouflaged a common passivity when it came to agenda-setting and government leadership. Mr. Wilson is California's first activist governor since Pat Brown in the early 1960s. He is playing catch-up in meeting needs that have vastly outdistanced and outdated the policies he inherited.

The most obvious symptom was the $14.3 billion deficit Mr. Wilson faced and — he hopes — solved after a brutal battle in the legislature and a $7 billion tax-increase that rattled the teeth of his fellow Republicans.

"We got a helluva lot more reform than anyone expected" in old programs, Mr. Wilson said. But he acknowledges it is only the beginning.

With its "tide of immigration," California has become by far the most racially and culturally diverse state in the nation. Some high schools have as many as 40 native languages and 70 nationalities in their student body. Finding teachers, jobs, housing and transportation for all these people is daunting enough, but projections are that California will add another 6.5 million people in the 1990s.

In his eagerness to get on with the task, Mr. Wilson has taken many actions — beyond the tax hike — that have strained his relationship with his Republican base. Mr. Spencer is by no means the only well-wisher who worries that a tax rebellion could undermine his political standing.

But Mr. Wilson has his own definition of "compassionate conservatism" that combines a strong stand on law enforcement and old-fashioned budget-balancing with spending for preventive health measures and protection of the environment, and a strong pro-choice position on abortion.

He revels in the opposition of the well-organized religious right and shows no inclination to keep looking over his right shoulder to see if the conservatives are getting restless.

He appointed a man to his old Senate seat who was guaranteed to draw a conservative primary challenger. When Assembly Republicans refused (with a few exceptions) to back his budget and tax-increase, he encouraged a coup that removed the minority leader and installed a pro-Wilson assemblyman in his place.

He has made it clear he will back his own candidates in future Assembly races. In a pair of recent special elections for Assembly vacancies, one Wilson choice won and the other lost. The mixed result strengthened concerns among some of his friends that Mr. Wilson is overreaching himself.

But the governor is nothing if not aggressive. A deceptively quiet man, who served almost anonymously for eight years in the Senate while waiting for a chance to seek the governorship that had always been his main goal, Mr. Wilson has been straining at the leash ever since his 1990 victory.

It is possible, as many suggest, that Mr. Wilson is burning too many bridges to politicians whose help he will need in future legislative fights. But it is also possible that he will emerge in 1993 with a legislature dominated by his own kind of "compassionate conservatives." He is playing for high stakes — with a possible 1996 White House bid in the balance.

The Washington Post.

The Jury Preferred the Priest's Artwork

By Colman McCarthy

WASHINGTON — Among drug pushers in the neighborhood of his St. Sabina's church in Chicago, Father Michael Pfleger noticed three that stayed all day and never moved. They were billboards.

One touted the joys of Smirnoff vodka, another Newport cigarettes and the third Miller Lite beer. In July 1990, the priest, who has served the nearly all-black St. Sabina parish since 1975, took action by rolling red paint over the billboards or, what he called, "these 24-hour pushers."

The priest was taken to court on three charges of property destruction. In a trial earlier this month, Cook County state's attorneys did some painting of their own: broad-brush strokes of the priest as a rebel criminal who thought he was above the law. But the jury preferred the artwork of the priest and acquitted him.

Parishioners of St. Sabina's are blessed to have a pastor willing to express some holy wrath against the booze and cigarette peddlers. Alcohol and cigarette companies are predators who hawk their products in inner-city neighborhoods disproportionately to other neighborhoods. News reports of the trial said that the priest counted 118 alcohol and cigarette billboards in a ten-block area around the church. In a similar-sized area around a church in a nearby white neighborhood, only three billboards were up.

With many in his flock suffering from heroin and crack abuse, the priest saw no reason they should be subjected to the come-ons of what are called the "gateway drugs" of alcohol and nicotine. He had seen lives ruined by drug addiction. Why shouldn't he have the right to fight back?

The conventional answer is that he does have the right but not to the point of destroying property. This is where the necessity defense comes in. Testimony at the trial revealed that the priest had tried the ordinary rappings to get the attention of the billboard sellers. He held protest marches, collected names on petitions, went to zoning boards to argue for limiting billboards, worked with local politicians for legislative action and went to Washington to testify at hearings on advertising and drug abuse.

But the machinery of reform did not move. Painted into a corner, the priest painted his way out.

The necessity defense is not quite the anarchistic mayhem that prosecutors and judges say it is. It holds that in some circumstances a law can be broken if it means a greater injury can be prevented. Father Pfleger put the health of his flock at a higher value than billboard advertisers' profits.

Prosecutors also raised the First Amendment issue: Advertisers of legal products have a right to free speech. But decisions have been made that some places are off-limits.

Father Pfleger is part of a movement against the companies hawking lies — that alcohol and nicotine are good for you — to kids in poor neighborhoods. At St. Sabina's, never was painting the town red more apt.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1891: Youths Guillotined

PARIS — Precisely at daylight this morning [July 27] two criminals, named Berland and Doré, both mere youths, were guillotined. Up to the last moment it was expected that the mother of Berland, who was the instigator of the murder for which he suffered, would have been done to death on the same scaffold. The facts revealed at the trial were so revolting that there was a general feeling that any punishment short of death would be inadequate. The President of the Republic exercised his prerogative of mercy in the case of the mother. The crime for which they suffered was the murder of an old woman whose house they broke into. Having ransacked the house, the young ruffians sat down to supper, then joined the woman Berland and divided the plunder.

1916: U.S. Helps China

WASHINGTON — A group of powerful U.S. bankers in a conference with State Department officials relative to the proposed loan of $30,000,000 to China, agreed to $4,000,000 with Chinese Treasury Notes as security. The new loan is mainly for the purpose of placing the Chinese Government on its feet, and it is thought it will lead to closer financial and commercial relations.

1941: Invasion Day 37

MOSCOW — [From our New York edition:] "The blitzkrieg is a washout," Russia's official press spokesman declared today [July 28]. The Red Army continued to combat the German spearheads in the advanced zones defending Moscow, Leningrad and Kiev as the Nazi invasion dragged into its thirty-seventh day. Soviet accounts described the strength of the German offensive as dwindling. [The German radio said July 27] that Soviet resistance in Bessarabia had virtually ended, while German forces were said to have advanced to within forty-three miles of Leningrad.]

Exposés o... Tarnish B...

U.S. Conservatives Could Serve as Al...

By David B. Ottaway
Washington Post Service

ULUNDI, South Africa — Rev... elations about covert government funding of Chief Mangosuthu Buthelezi's Inkatha Freedom Party appear to have done serious damage to the black leader, whom the Bush administration and American conservatives have been counting on to stand up to the African National Congress and make possible effective multiparty constitutional negotiations.

Despite Chief Buthelezi's repeated denials of any knowledge about police, army and government support for Inkatha, accumulating evidence to the contrary is undermining his credibility as an independent actor and alternative to the ANC, the main black nationalist movement.

Inkatha, which claims a membership of 1.9 million, is the second largest black political group in the country. Chief Buthelezi has gone out of his way to accentuate his independence from the ANC. This has made him attractive to President George Bush and conservative groups in the United States and elsewhere.

Conservatives in Congress have held up for months now the dispersal of $10 million in U.S. assistance to aid the democratic process here because they feel that Inkatha is not scheduled to receive a fair share of the total.

If Inkatha is now discredited, the negotiating process may well become just a two-way struggle between President Frederik W. de Klerk's government and the ANC. This, in turn, is likely to set the stage for an overwhelming ANC victory at the polls and lead to another version of the de facto single-party system that has existed here since 1994 under the National Party.

Thus, the implications for the future shape of South African politics of the disclosures this past week about secret government donations to Inkatha may prove enormous. These included proof that the police had paid $88,000 to help finance two Inkatha rallies and $52,000 over five years to support its affiliated United Workers' Union of South Africa.

On Friday, the Weekly Mail published what it described as a 1989 internal police document that described the union as "a project under the control of the South African police" in collaboration with Inkatha. It also said the Ministry of Law and Order was worried be...

STALIN: K...

(Continued from Page 1)

called Mr. Kaganovich Stalin's "chained cur and toady." While he shamelessly ingratiated himself to Stalin, Mr. Kaganovich was a brutal boss to his staff.

Mr. Kaganovich, who lived for years on Moscow's Frunze Embankment, died at around 10 P.M. Thursday, according to his housekeeper, Valentina Polokhova.

Mr. Kaganovich, whose huge portrait was once carried across Red Square on May Day and other state holidays, died a bitter, lonely man.

"I have no money at all," he complained a few months ago to a reporter from Nezavisimaya Gazeta. "I get a pension, but two-thirds of it goes to the woman who takes care of me. I hobble around on crutches. I can't even bend down. I can't put my shoes on myself. So you see what my situation is."

"Last night he begged me not to leave his side," his housekeeper said. "He died sitting down. He opened his mouth and his eyes wide, and then he died."

She said that he came home from a hospital stay two weeks ago and refused to eat. She read to him from...

PARTY: A New Charter

(Continued from Page 1)

cians, which they plan to shape into a political party by autumn.

"Despite the fact that speeches sometimes contained diametrically opposed views, the main idea stressed in them all was that the program should make the party more attractive both for Communists and nonparty members," Tass reported an official of the Lithuanian Communist Party as saying. "Communists representing various trends realized the danger of anti-communism and made a step towards consolidation."

The unity of the Central Committee meeting, notwithstanding, several delegates predicted that the divisions in the party would erupt at the congress.

While showing a readiness to dump old dogmas, the Communists indicated, in their strong reaction to Mr. Yeltsin's decree, that they intend to fight to maintain the privileges, power and wealth they still enjoy.

Despite the introduction of elected parliaments and councils across the Soviet Union, Communists retain considerable power through ownership of printing presses and extensive other properties, and through the network of party cells.

Mr. Yeltsin's decree thrust at the heart of that power by threatening to strip the party of its foundations...

Exposés of Funding Tarnish Buthelezi

U.S. Conservatives Had Hoped Chief Could Serve as Alternative to ANC

By David B. Ottaway
Washington Post Service

ULUNDI, South Africa — Revelations about covert government funding of Chief Mangosuthu Buthelezi's Inkatha Freedom Party appear to have done serious damage to the black leader, whom the Bush administration and American conservatives have been counting on to stand up to the African National Congress and make possible effective multiparty constitutional negotiations.

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This disclosure would seem to lend credence to allegations by the ANC and others that Inkatha has been aided by the government through the police, the army and other bodies.

Chief Buthelezi, chief minister of the nominally self-governing KwaZulu homeland, has long had a driving ambition to be recognized as a national leader and central player in the unfolding process of negotiations over a new nonracial democratic constitution.

But his position as a homeland leader and his espousal of policies often identical to those of the government have made him suspect, and exceedingly unpopular, with other anti-apartheid groups, which long ago branded him a puppet of the apartheid system.

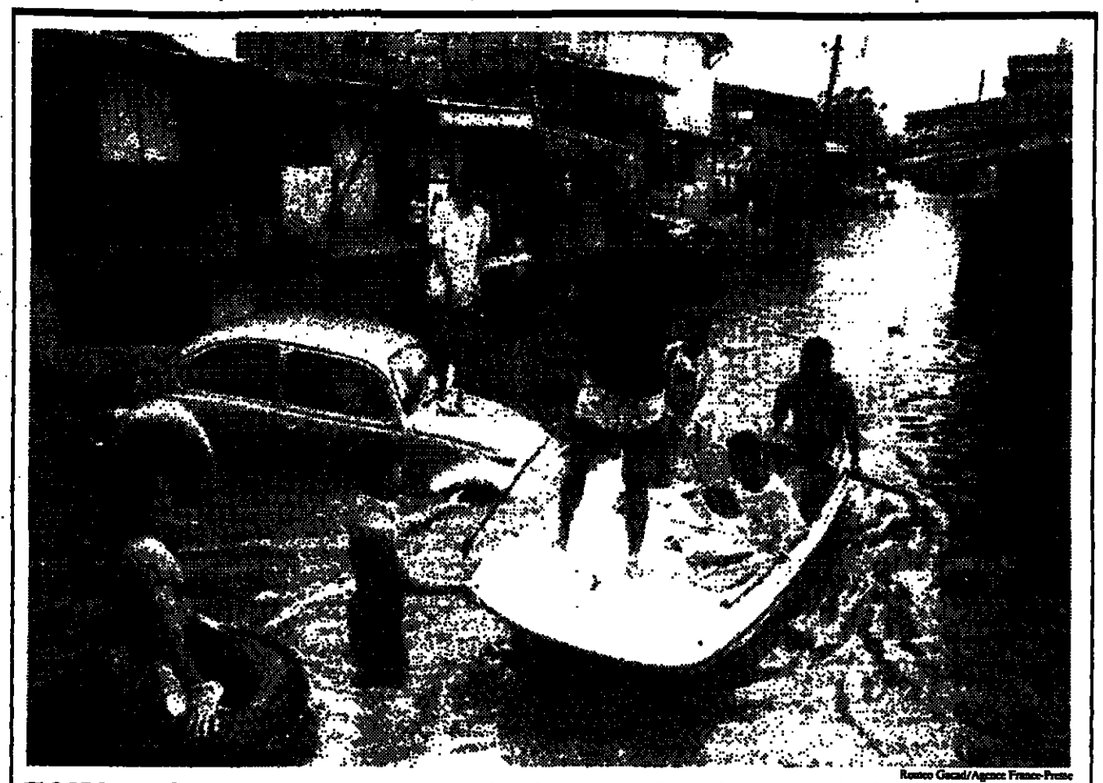
At Inkatha's annual conference last weekend, Chief Buthelezi went out of his way to stress his sharp disagreements with virtually all ANC policies. For example, he said Inkatha rejected categorically the ANC's call for an elected constituent assembly to write a new constitution and an interim government to oversee the transition process. Mr. de Klerk has taken the same position.

He warned that Inkatha and KwaZulu would prove "insurmountable stumbling blocks" to any attempts to carry out either policy, saying, "We will not budge on this issue."

Chief Buthelezi praised the lifting of U.S. sanctions, which he opposed from the start; strongly supported an all-party conference as the main arena for negotiations, and endorsed free enterprise as the basis for South Africa's future economic growth. The government advocates these policies, too.

The Inkatha leader denounced "straight majoritarian" democracy, meaning an unqualified one-person-one-vote system, and supported constitutional protection for "minority groups," just as the government has.

He also went out of his way to project himself as the defender of "multiparty negotiations" and attacked the ANC's efforts to line up all parties either on its side or the government's. He pledged to make sure the negotiations would be "a multiparty affair" and to serve as the "watchdog" of smaller parties wishing to have a seat at the negotiating table.



Romeo Gacad/Agence France-Presse

FLOODS AND SLIDES — Manila residents using a boat for transportation Friday in streets flooded by monsoon rain. A moderate earthquake, centered north of Manila, caused about 7,000 people to flee their homes to escape cascades of mud.

ALGERIA: *In the Midst of Crisis, a New Political Diversity Is Flowering*

(Continued from Page 1)

lated, forbade domino-playing in cafes and distributed free lodgings to their adherents.

Now, new Islamic fundamentalist groups have surfaced and are gaining members from the broader movement. Most notable among them is the Hamas Party, whose leader, Sheikh Mahfouz Nahnah, advocates co-existence of fundamentalist Muslims with other secular parties in a democratic political structure.

Still, the most evident sentiment, based on interviews with representatives of all political and social currents, is a profound sense of suspicious uncertainty about the government's intentions, combined with optimism approaching euphoria over the vastly expanding horizons of freedom.

Last week, Prime Minister Sid Ahmed Ghozali, who heads a transitional government with the mission of preparing the country for free multiparty parliamentary elections, warned the nation that it was on the verge of economic collapse. His restructuring program includes the elimination of many government subsidies, with resulting higher prices on food and medicine, and a search for foreign investment.

He also proposes raising $6 billion to $7 billion immediately by selling to foreign oil companies shares in Algeria's vast oil and natural gas reserves, long viewed as untouchable national patrimony.

Algeria must pay $8 billion this year to reimburse part of the principle and interest on its enormous debt of $26 billion. The money comes out of its total revenues from the sale of oil and gas, which do not exceed $13 billion, or 98 percent of Algeria's foreign revenues. It leaves precious little to develop the country.

Algeria needs about $10 billion to import food, medicine and spare parts and raw materials to run its factories this year, for instance. It must also invest more money in its deteriorating agriculture and its vital oil sector to find more oil and gas, a process that takes several years before yielding results.

Meanwhile, the governing party of the land is evaporating. In a closed session last week, the Central Committee of the National Liberation Front continued its internal quarrels and watched a half dozen of its former leaders, including Colonel Bendjedid, resign their positions as party leaders.

In a meeting set for July 30 and 31, all the parties will ask Mr. Ghozali to withdraw all the properties of the National Liberation Front, including the thousands of cars, free phones, meeting places and real estate it has accumulated over 29 years of governing alone, and to redistribute them to all parties equitably.

Perhaps most important of all, the Algerian Army, which more than a quarter of century ago successfully fought to end 130 years of French colonialism, has repeatedly said it will not stop the democratization process that began in 1989, but will act only to preserve public order.

■ Fundamentalists Meet

Muslim fundamentalists, meeting for the first time since the government crackdown on their movement, demanded Friday the release of their leaders and an end to the state of emergency, The Associated Press reported from Algiers.

The council of the Islamic Salvation Front ended the two-day meeting by spelling out conditions for participating in a national conference to prepare for legislative elections. Chief among them are the release from prison of Mr. Madani and Mr. Belhadj.

PACIFIC: *U.S. Wary of North Korea Arms Threat*

(Continued from Page 1)

conditional inspection by the International Atomic Energy Agency.

Admiral Larson said that although it was difficult to make accurate predictions about the covert North Korean program, most intelligence estimates suggested that country would become a nuclear-weapons power by 1995.

The South Korean Defense Ministry said last week that the North had created its first Scud missile brigade. It did not say whether the missiles — which have a range of up to 600 kilometers, enough to reach virtually all parts of South Korea — could carry a nuclear warhead.

However, in a report to the National Assembly in Seoul, the ministry said that North Korea had started developing a more powerful missile than the Scud. The new missile, it said, would have a range of 1,000 kilometers.

Reflecting growing U.S. concern about the adequacy of international supervision of national nuclear programs, Admiral Larson said that North Korea would have to do more than sign a safeguards agreement with the International Atomic Energy Agency and allow agency inspectors to check that no nuclear weapons development or production was taking place.

Implying that North Korea would have to dismantle key facilities, he said that Pyongyang would have to "stop the move toward reprocessing and stop that program."

Admiral Lawson said that the Soviet Union and China had been helpful "to some extent" in discouraging North Korea from developing nuclear weapons.

"So we are hopeful that through continued international diplomatic pressure, we will be able to slow down or certainly stop that program," he said.

The admiral said that under a previously announced plan agreed upon with Seoul, the United States would withdraw 7,000 of the 44,000 American servicemen in South Korea by the end of 1992.

He said that he would be making recommendations next week to Washington on the numbers of American troops to be pulled out of South Korea in the next two phases of the drawdown: by December, 1995, and by the year 2,000.

Although the Bush administration has announced that U.S. forces worldwide will be cut by 25 percent by 1995, Admiral Larson said he expected reductions in the 350,000-strong U.S. Pacific force to be "much smaller than those in other parts of the world because changes in the military situation here have been less dramatic."

While the Soviet Union was withdrawing forces from the Far East, particularly army units from Mongolia and along the border with China, Soviet naval and air forces were being modernized.

"What I see now is a more modern; more capable, smaller Soviet military with less of a capability to project ground forces across their border, but with a significant air and naval-power projection capability," he said.

However, he said that Soviet "will and intent" to use its Far East forces were "now very low" because of the demise of the Warsaw Pact, severe economic and political problems in the Soviet Union, and Moscow's interest in improving its standing in the international community.

STALIN: *Kaganovich Dies at 97*

(Continued from Page 1)

called Mr. Kaganovich Stalin's "chained cur and toady." While he shamelessly ingratiated himself to Stalin, Mr. Kaganovich was a brutal boss to his staff.

Mr. Kaganovich, who lived for years on Moscow's Frunze Embankment, died at around 10 P.M. Thursday according to his housekeeper, Valentina Polokhova.

Mr. Kaganovich, whose huge portrait was once carried across Red Square on May Day and other state holidays, died a bitter, lonely man.

"I have no money at all," he complained a few months ago to a reporter from Nezavisimaya Gazeta. "I get a pension, but two-thirds of it goes to the woman who takes care of me. I hobble around on crutches. I can't even bend down. I can't put my shoes on myself. So you see what my situation is."

"Last night he begged me not to leave his side," his housekeeper said. "He died sitting down. He opened his mouth and his eyes wide and then he died."

She said that he came home from a hospital stay two weeks ago and refused to eat. She read to him from the Communist Party newspaper Pravda.

Mr. Kaganovich's books, most of them Communist Party histories and tracts, were caked with dust.

Asked what the two talked about in their more than two years together, she said, "I tried not to ask too much, so that when people asked me later I could say I didn't know."

Mr. Kaganovich's neighbors reacted impassively or with restrained pleasure at the news of his death.

"In the days when he was more active, I used to avoid him," said Flora Litvinova, who lives in the building.

"I couldn't stand to look him in the face, for we all knew what he had done. If the elevator stopped at my floor with him there, I'd let the elevator go and wait for the next ride.

"This is not exactly a sad day," she said.

Mr. Kaganovich remained an ardent Stalinist and an apologist for collectivization.

In a conversation published last year, he said, "Stalin had great vision. He saw far and he saw a great deal. Without him would we have defeated the fascists, would we have been able to become an industrialized, collectivized state?"

Mr. Kaganovich was born into a Jewish peasant family in the Ukraine.

A confirmed atheist who seemed to avoid any contact with Jews throughout his life, Mr. Kaganovich changed his name from Kogan to the more Russian Kaganovich.

He joined the Bolsheviks in 1911 and served in the Red Army.

He was Ukrainian party boss until 1927 when Stalin brought him to Moscow.

In the early 1930s, he led the Communist Party Control Commission that helped engineer the first party purges, sending countless thousands before firing squads for real or imagined ideological deviations.

Although he took part in endless operations of terror throughout the Stalin era, Mr. Kaganovich's role in the forced collectivization of the countryside must rank as his most heinous contribution.

When Stalin died in March, 1953, Mr. Kaganovich was among those considered a possible replacement as Communist Party leader.

But when Mr. Khrushchev took power, he shoved Mr. Kaganovich and other Stalinist leaders out of the leadership.

Sergei Ivanov, a Byzantine scholar, said Mr. Kaganovich's death reminded him of a passage from the Book of John: "Then said Jesus unto them plainly, 'Lazarus is dead.' "

"But the difference," Mr. Ivanov said, "is that Lazarus rose from the dead. I don't think Lazar Moiseyevich has much of a chance at that."

PARTY: *A New Charter*

(Continued from Page 1)

cians, which they plan to shape into a political party by autumn.

"Despite the fact that speeches sometimes contained diametrically opposed views, the main idea stressed in them all was that the program should make the party more attractive both for Communists and nonparty members," Tass reported an official of the Lithuanian Communist Party as saying. "Communists representing various trends realized the danger of anti-communism and made a step towards consolidation."

The unity of the Central Committee meeting notwithstanding, several delegates predicted that the divisions in the party would erupt at the congress.

While showing a readiness to dump old dogmas, the Communists indicated, in their strong reaction to Mr. Yeltsin's decree, that they intend to fight to maintain the privileges, power and wealth they still enjoy.

Despite the introduction of elected parliaments and councils across the Soviet Union, Communists retain considerable power through ownership of printing presses and extensive other properties, and through the network of party cells.

Mr. Yeltsin's decree thrust at the heart of that power by threatening to strip the party of its foundations.

BANDITS: *Unwary Drivers Are Victimized in Spain*

(Continued from Page 1)

tion of the 60 million people expected to visit Spain on vacation this year, the problem is serious enough for the Dutch automobile club, ANWB, to advise its members to travel southward in convoy with other Dutch drivers.

Jan Peter Wever, the Dutch consul-general in Barcelona, is coordinating a presentation by EC diplomats in Barcelona to the regional judicial, civil and tourist authorities. Mr. Wever said he was concerned not only because of the large number of tourists who were being robbed but also because the wave of thefts was blackening the reputation of Catalonia, a region he loves.

Mr. Wever, who has escaped two robbery attempts, is well aware of the problem, as is the Barcelona attorney general, with whom he discussed the issue earlier this week.

But Spain's decentralized form of government and its liberal judicial guarantees — both reactions to repression of the Franco years — make it difficult to mount a coordinated effort against the criminals, who exploit every loophole to avoid prison and deportation. This explains why the bandits stay south of the frontier instead of going to France, where they would be subject to expulsion if arrested.

Alfredo Semprún, who reported on the problem for ABC, said there were a number of reasons the criminals could not be deported, even though they were illegally in Spain.

First, he said, they avoid using violence, which means that their offenses are considered minor and that they are subject to less than six months' imprisonment. Six months is the point at which people can be deported.

Second, Mr. Semprún pointed out a Catch-22 situation in which the criminals could not be expelled as a result of one case because they faced legal charges in another one.

Since they range as far south as Valencia and as far north as the French frontier, they are likely to face charges in several regions, so that even if they are brought to trial in one place and convicted, they cannot be expelled while charges are pending in another jurisdiction. The efforts of the civil governor of Gerona to bring all the cases under a single jurisdiction have so far proved fruitless.

SUMMIT: *Shevardnadze Sees Further Nuclear Cuts*

(Continued from Page 1)

that the Soviet Union has traditionally rejected the U.S.-espoused theory that the threat of nuclear retaliation has deterred global war. Moscow has demanded a world without any nuclear weapons.

But he nodded affirmatively when asked if the concepts of "strategic stability" and "guarantees for national survival" that he and Mr. Baker had discussed amounted to the same thing as minimal deterrence.

"The time will come when the United States and the Soviet Union will be talking not only about quantity but also the quality and the composition of weapons arsenals on both sides," he said. "This is the very important direction for the future."

Mr. Shevardnadze said that the two countries had lost eight months on arms-control accords because "the military raised some pretexts, to prove that they are present."

"Moiseyev went to Washington and tried to get a better deal and he failed," Mr. Shevardnadze said, referring to General Mikhail A. Moiseyev, the chief of the general staff. "He had to settle for the same package we had already agreed on in Houston, instead of the repackaging he sought."

Mr. Shevardnadze also said that Mr. Gorbachev had begun the essential process of integrating the Soviet Union into the world economy with his visit to the G-7 summit meeting in London.

"But the Soviet president should act more courageously in creating a climate favorable for foreign investment in the Soviet Union," Mr. Shevardnadze said. "He must stress cooperation, not just credits or giving money."

"We are speaking here," he added, "of the indecisiveness of the president. He had to take into account the opposition and suspicions of many people here. But the country is in a crisis. We are in dire need of hard currency. There are projects that could be done now that would help us find the money we need. We need action."

Kurdish Refugees Held in Moscow

Agence France-Presse

MOSCOW — A group of 25 Kurdish refugees who entered the Soviet Union illegally have been held in a hotel in the transit area of Moscow airport for five months, Pravda said Friday.

Members of the group, which includes six children, have threatened to commit suicide if they are expelled to Syria, their point of departure.

Iraq Accuses UN Of Playing Politics

Reuters

BAGHDAD — Iraq accused the International Atomic Energy Agency on Friday of playing politics over its nuclear program and helping to set the stage for a new U.S. military strike.

Countering the assertion that its motives were political, Hans Blix, the agency's director general, said Friday that there was no plausible peaceful explanation for the fact that Iraq had learned how to build a nuclear bomb.

In a letter to UN Secretary-General Javier Pérez de Cuéllar, published by the Iraqi Army newspaper Qadissiyah, Foreign Minister Ahmed Hussein Khudayer rejected agency suggestions that Iraq had broken its rules.

He said Iraqi technicians were cooperating fully "in a practical atmosphere" with agency inspectors looking for evidence of a nuclear weapons program.

He said the agency attitude was politically motivated "to prepare for a new military aggression on Iraq after it had handed over its complete nuclear program."

A Security Council deadline for full Iraqi disclosure of its weapons of mass destruction passed Thursday, with the United States charging that Baghdad had failed to fully comply.

Mr. Blix said the Iraqi nuclear program relied mainly on a technique that "costs much more electricity than it would ever give from enriched uranium in nuclear power reactors."

"It's a very expensive method," he added in a television interview from Vienna, where the agency is based. "There is no plausible peaceful explanation of what they have been doing."

A fourth agency team left for Baghdad on Thursday under an April 3 Security Council resolution requiring inspection and destruction of Iraq's nuclear materials.

Mr. Blix said the team was seeking more information on the extent to which a uranium enrichment program using centrifuge technology was complementing an older electromagnetic technique.

"In particular, we cannot be sure that the information they gave of having enriched about half a kilogram of uranium" was full disclosure, he said. "There might be more."

Mr. Blix said he was unable to pinpoint how close Iraq had been to having the bomb before U.S.-led multinational forces drove its troops from Kuwait in February.

"But I can say if a country has mastered the technique of enriching uranium, it's only a matter of time before they can make a bomb —and Iraq had mastered that technique."

Qadissiyah published its report on the letter under the headline "Our people are loyal to their principles and their leader and will resist all conspiracies."

In an editorial it accused Washington of seeking to destroy Iraq and impose a political system to suit its own plans.

Carol Laise Bunker Dies, State Department Veteran

New York Times Service

Carol Laise Bunker, 73, a former U.S. ambassador to Nepal and the first woman to be an assistant secretary of state, died Thursday of cancer in Dummerston, Vermont.

A career Foreign Service officer, she served as ambassador to Nepal from 1966 to 1973. In 1973 she was appointed assistant secretary of state in charge of the Bureau of Public Affairs, the first woman in so high a post in the department.

In 1974, Miss Laise became director general of the Foreign Service, the highest nonpolitical job in the service, a position she held until she retired in 1977.

In January 1974 she married Ellsworth Bunker, a U.S. ambassador at large, in Katmandu, Nepal. It was the first marriage between two American ambassadors. He died in 1984.

George H. Love, 90, U.S. Corporate Leader

PITTSBURGH (UPI) — George H. Love, 90, who once headed Chrysler Corp. and Consolidation Coal Co. at the same time, died Thursday of emphysema in Pittsburgh.

Mr. Love was credited with the financial turnaround of Chrysler while he chaired the corporation's board from 1961 to 1966. At the time, he also headed Consolidation Coal and helped to guide that company through three decades of growth.

He was a proponent of modernizing mines to keep coal prices competitive, and also pioneered industry efforts to find new uses and markets for coal.

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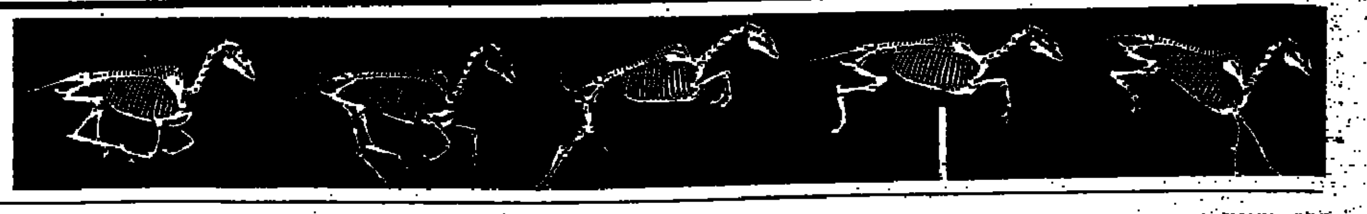

'Peep Shows' and Politics

The Sol LeWitt Affair: Porn or Feminist Bullying?

By Michael Kimmelman
New York Times Service

NEW YORK — It could not have been easy for Elizabeth Broun. But in the face of growing protests from artists, curators and many others over her removal from an exhibition of a work by Sol LeWitt she found "degrading and offensive" to women, the director of the National Museum of American Art in Washington wisely reversed herself and put the work in the show.

"Eadweard Muybridge and Contemporary American Photography," a traveling exhibition that opened at the museum on June 28, was organized by Jock Reynolds, director of the Addison Gallery of American Art at the Phillips Academy in Andover, Massachusetts, and James Sheldon, the Addison's curator of photography. Charging censorship, they had demanded that Broun close the show she had borrowed if LeWitt's work was not reinstalled.

"As this artwork has become the centerpiece of a public debate," Broun responded in a statement on July 15, "we believe that the public is best served by including LeWitt's work in the exhibition, so everyone can discuss the issues, after having seen it."

Smithsonian Institution

Elizabeth Broun

Broun's remark acknowledged the essence of the problem with her original position. After banning from the show the work by LeWitt, which included a series of photographs of a nude woman, the director then offered as a compromise to display it, but quarantined from the exhibition, with labels detailing why she found it troubling.

This may not have been censorship in the strictest sense, but it inevitably brought to mind the reaction of conservative politicians and others to displays of photographs that they considered pornographic or blasphemous by Robert Mapplethorpe and Andres Serrano. Broun, like them, was insisting that her particular notion of pornography should determine the circumstances under which a work of art could be seen by the public.

The work that alarmed Broun is LeWitt's "Muybridge I." Dated 1964, it consists of a black box, about one foot tall, one foot deep and eight feet long (about 30 by 30 by 240 centimeters), across the front of which 10 tiny holes have been drilled. The inside of the box is illuminated to reveal a series of photographs visible through the holes. The photographs depict a nude woman moving toward the viewer, beginning with a distant and grainy image of her entire body and concluding with a close-up of her navel.

The work refers to the apertures of Muybridge's multiple cameras, with which the 19th-century photographer recorded moving figures. But to Broun, the associations with a peep show were so immediate and overwhelming that they overshadowed the relationship between the work and Muybridge's famous photographic series of people and animals.

The nudity in itself was not the problem, she said; plenty of nude figures, male and female, remained prominent in the exhibition. Nor was there any doubt that LeWitt played a big role in the revival of Muybridge's reputation and his influence on contemporary art.

But, she wrote in a letter to Reynolds, "peering through successive peepholes and focusing increasingly on the pubic region invokes unequivocal references to a degrading pornographic experience. I cannot in good conscience offer this experience to our visitors as a meaningful and important one. The past two decades of feminist writing has raised public consciousness about different types of viewing — about see-er and seen — that could not have been foreseen when LeWitt made the work so long ago."

One does not have to be a staunch feminist to sense the voyeuristic connotations of "Muybridge I" (although Broun misdescribes the photographs as focusing increasingly on the model's pubic region). She may also be right that the presence of the work in this exhibition will alter perceptions of Muybridge's photographs of naked men and women, recasting what have been largely considered motion studies as objects of sexual curiosity.

But removing a key work by the artist whose relationship to Muybridge is fundamental to the show's concept undermined the integrity of the exhibition's argument. It then became, in a sense, her show, not Reynolds' and Shelton's. Who can blame them for asking that she shut it down rather than present something that misrepresented their thinking? She did "contract responsibility" in agreeing to take on the essential tenets of the exhibition.

In a rare instance of a public official reversing a decision, Broun demonstrated that she could be flexible. The lessons of the LeWitt incident seem to need constant repetition. Broun was right on July 15. There can never be constructive public debate about the meanings of art if the public can't see the art it is debating.

A rare 13th century German bronze aquamanile that sold for £93,000 at Sotheby's on July 4, above, and Degas's "Chevaux de Courses," which fetched £6.05 million at Christie's in June.

A Disastrous Year to Feel Good About

International Herald Tribune

LONDON — To any analyst unfamiliar with the art market pranks as they have unfolded in the last four years, the end of season figures of the world's leading auction houses, Christie's and Sotheby's, would seem to spell disaster.

Sotheby's world sales dropped

SOUREN MELIKIAN

by almost two-thirds, $3.2 billion in 1989-90 to $1.3 billion in 1990-91. By comparison, Christie's fall to $1.2 billion, a mere 49 percent dip, looks mild. No wonder auction house officials had such long faces these last few months. Yet they should not. They have every cause to rejoice. What happened this year was a long overdue purging of the market, an unpleasant process that has revealed its extraordinary vigor despite the follies of its actors.

Perhaps the most significant indication is Christie's comparative table, which puts its present total slightly higher than 1987-88. We are back to where we were when the hype, the artificial efforts at drawing ever more players into the game in order to erase the nasty memory of the October 1987 stock market jolt, got totally out of hand. This was the season when a van Gogh, "Irises," soared to a record price made possible by the credit conceded by the auction house and never fully paid. Since then, through push and shove, "estimates" have been notched up relentlessly, sometimes by as much as 30 percent or so from one half season to the next. It had to snap.

It did this fall in the market for Impressionist, Modern and Contemporary artists. Suddenly, there was an abrupt rejection of the so-called estimates, reflecting the vendors' demands obligingly passed on by auction house experts. Sensing that the tide was turning, the auction houses gave in. On Nov. 6, John Marion of Sotheby's, probably the most talented auctioneer in America, with an uncanny ability at taking the pulse of his public, allowed Robert Rauschenberg's "Third Time Painting" to go for $3.08 million, far below the $4.4-$5.5 million estimate. As far as one could tell, Marion sold it on a single bid from the room. It was either that or take it back.

Yet, there was no shortage of cash for art in the midst of the New York gloom. A remarkable Pollock, "Number 13, 1949," made $3 million in that sale and a De Kooning $8.8 million. Philip Guston's "Summer" set a record for the artist at $1.05 million. A Franz Kline brought $2.62 million. These came from the collection of an elderly lady who had had them for nearly three decades. Buyers, confident that they were not being made to jump through the hoop of reserve in the Big Auction Circus, delved into their pockets.

The new mood of the market was summed up at Christie's on Nov. 13 by the contrast between the failure of an undistinguished van Gogh still life, overestimated and bought in at $9 million, and the sensational sale of an outstanding sketch in pen and brown ink by the same van Gogh. At $8.36 million, the view of the garden at Arles became the world's most expensive drawing.

> *It was a long overdue purging of the market, revealing its extraordinary vigor despite the follies of its actors.*

London reinforced the message two weeks later. The disastrous setbacks in Christie's and Sotheby's Impressionist and Modern Masters sales, where the failure rates respectively stood at 75 and 59 percent, essentially reflected market excesses, sanctified by auction houses. Monet's view of haystacks, sold in a French provincial auction on June 4, 1990, for the equivalent of £2.9 million, reappeared at Christie's with an estimate set at £5.5 to £7.7 million. The desire of the Geneva-based Nehmad brothers, who had acquired it, to make a 100-percent profit is humanly understandable. What is not is the auction house's foolishness. The gamble failed. The art crowd, as easily depressed as it is excited, barely stopped to consider these facts, and blamed on the world recession and accompanying war noises mishaps that were entirely of its own making.

There was quasi paralysis in the early spring sales in London and when the market showed signs of remarkably healthy recovery in May, few seemed to see it for what it was. At Christie's in New York, a publishing magnate, Leonardo Mondadori, paid $1.37 million for a small Seurat sketch, outbidding the dealer Heinz Berggruen who wanted it for his collection. A new Austrian buyer emerged, unknown to all dealers, acquiring the best. He persisted in London. On June 24, he bought a £6.05 million ($9.85 million) Degas at Christie's, "Les Chevaux de Courses."

Interestingly, the shrewdest of all professionals were bullish too. The Nehmad brothers, who had bought Matisse's "La Robe Persane" at Sotheby's May sale in New York, now went after Toulouse-Lautrec's portrait of Madame Fabre (£2.42 million), an early Utrillo view of Paris (£176,000), and the list goes on. They clearly have no qualms about the future, and they are right.

TWO days later, Hugues Joffre of Sotheby's triumphed with his sale of Contemporary Art from Europe, which added up to £7.04 million, courtesy of private collectors, many of them old-timers deterred in the last few years by speculation. The truth is that the market is sounder here than it has been in years.

Indeed, its present vigor is borne out in all traditional fields of collecting. In New York, at the worst of the gloom, Sotheby's, on Nov. 28, did equally well. Only 33 of the 223 were unsold. A closer connection than usual could be observed between aesthetic achievement and prices, as opposed to pricing according to conventional categorization. For example a Ptolemaic relief in neo-Ramesside style of splendid quality went up to the high estimate, $99,000, more than a Ramses II period relief, earlier but stiff and artistically inferior, which sold for $63,250, the low estimate. Such discrimination points to the increasing role of connoisseurs as opposed to speculators.

The combined factors of connoisseurship on one hand and the rejection of inflated "estimates" on the other accounts for the seemingly erratic pattern in the December sales of Old Masters in London. Run-of-the-mill or poorly preserved pictures were rejected whenever overpriced. But on Dec. 12, Bruno Meissner of Zurich and Paris bid alone against the reserve from about £150,000, finally paying £308,000 to get a sublime still life by Jean-Baptiste Oudry at Sotheby's. On Dec. 14, he topped Christie's high estimate by one quarter to acquire for £2.42 million Murillo's extraordinary "St. Joseph and the Christ Child." In New York, on Jan. 11, the sale of Old Masters gathered by Imelda Marcos was a success against all odds at Sotheby's — not many were in the top league. Publicity and the prospective buyers' certainty that they were not being pushed around by the "reserve" game, ensured success, even though war in the Gulf was imminent.

Indeed, war and recession barely affected specialist sales this year. Christie's auction of European porcelain on Feb. 25 was a riot. The Elizabeth Firestone collection of porcelain sold by Christie's again magnified the trend in New York on March 21. It could not have gone better. A Sceaux faience trompe d'oeil tureen executed around 1760 doubled its high estimate at £110,000.

What makes such objets d'art highly significant is that their success is not related to any particular fashion or field. On May 14, at New York Sotheby's had a similar triumph with its Pre-Columbian art sale, its second best ever. The total sold added up to $2.2 million. A very rare Mayan cylindrical beaker painted with scenes and glyphs now partly understood soared far above its high estimate as it went for $115,000. London on July 4, at a sale of European sculpture and works of art from the Middle Ages to the 18th century, bidding was intense on all the desirable pieces — £93,000 is a fantastic price for a lion aquamanile from 13th century Germany.

The common link between 18th century Meissen, Pre-Columbian beakers and medieval aquamaniles is that you do not buy any of them if you do not know a good deal about the subject. It is not tempting and it would not be safe. Since the same is happening with Old Masters and, from now on, increasingly, even with Impressionist and Modern Masters, it might be argued that the art market as a whole will be governed by knowledge rather than by financial hubris. It has come of age after a troubled adolescence.

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ECONOMIC SCENE

Waste Not, W… And Sell Your…

By John…
New York…

NEW YORK — Re… league as motherho… taken last year by… 74 percent of those… recycling to ease environment… posal problems vary widely… Embracing one disposal m… without necessarily providing… It is certainly true that when… ered and turned into new prod… Obviously, that much less… landfills. Re-use also elimi… nates the need to mine or har… vest virgin materials, and re… processing usually involves… less pollution than extraction… and refining.

Some materials, largely… metals, have been recovered… for years. A sophisticated net… work of dealers and proces… sors collects the steel in old cars… to mills as a raw material. Alum… the recycling of beverage conta… But other materials have no… have piled up for lack of equip… into new paper.

Plastics come in a multiplicity… must be separated to be of much… plastics have been slow to devel… To promote recycling, 38 st… product bans, mandates, taxes a… Now, with the federal law th… source Conservation and Recove… some environmentalists are push…

THEY WOULD INSIST… and products contain a… recycled from trash bins… such a rule would be wrong.

Recycling may make economi… where landfill fees have been ris… is abundant and cheap and rep… There, people would be bett… money for other purposes, if the… Still, environmental groups w… to develop recycling industries. An effort to reconcile the two… "Project 88-Round 2," drafted b… at Harvard's Kennedy School of… The report is significant becau… at the behest of Senators Timoth… an important influence on the C… The Clean Air Act allows gene… credits, allowing the emission of… This is intended to encourag… pollution at the least cost to do so… where clean-up costs would be hi… the lowest-cost approach to redu… The current report would… tradable permits as part of a… techniques to achieve environ… This approach would increas… price of recycled materials, w… unable to use them to make… tion processes.

As markets for recycl… waste will have to calcu… justify the cost of collec… dumping in an approved,… For some, the answer… dumping will make more…

CURRENCY RATES

Cross Rates

[illegible]

Closings in Amsterdam, London and Zurich…; and Toronto rates at 3 p.m.
a: To buy one pound; b: To buy one dollar…

Other Dollar Values

Currency	Per $	Currency	Per $
Argen. austral	9995.0	Greek drac.	[illegible]
Austral. $	1.2912	Hong Kong $	[illegible]
Austr. schil.	12.23	Indian rupee	[illegible]
Brazil cruz.	329.50	Indo. rupiah	[illegible]
Chinese yuan*	5.3471	Irish £	[illegible]
Danish krone	6.7515	Israeli shek.	[illegible]
Egypt. pound	3.2977	Kuwaiti dinar	[illegible]
Fin. markka	4.182	Malay. ring.	[illegible]

New York rates unless marked * (local rate)

Forward Rates

Currency	30-day	60-day	90-day
Pound Sterling	1.6852	1.6780	[illegible]
Deutsche mark	1.7395	1.7443	[illegible]
Swiss franc	1.5164	1.5190	[illegible]

Sources: NMB Bank (Amsterdam); Indosuez… (Milan); Banque Nationale de Paris (Paris)… (Toronto); IMF (SDR); Gosbank (ruble)…

INTEREST RATES

Eurocurrency Deposits

	Dollar	D-Mark	Swiss Franc
1 month	5 7/8-6	8 7/8-9	7 ¾-7 7/8
2 months	5 7/8-6	9-9 1/8	7 ¾-7 7/8
3 months	5 15/16-6 1/16	9 1/16-9 3/16	7 ¾-7 7/8
6 months	6 1/16-6 3/16	9 ¼-9 3/8	7 ¾-7 7/8
1 year	6 ½-6 5/8	9 ½-9 5/8	7 ¾-7 7/8

Sources: All Reuters except ECU: Lloyds Bank… Rates applicable to interbank deposits of $1 million…

Key Money Rates

United States — Close: Discount rate 5½; Prime rate 8½; Federal funds 5 11/16; Com. paper 91-179 days 5.60; 3-month Treasury bills 5.57; 6-month Treasury bills 5.67; 1-year Treasury bills 5.84; 30-year Treasury bond 8.40; 3-month CD's 5.70; 6-month CD's 5.80

Japan — Discount rate 5½; Call money 7 11/32; 3-month interbank 7 11/32; 6-month interbank N.Q.

Germany — Lombard rate 9.00; Call money 8.85; 3-month interbank 8.95; 6-month interbank 9.35; …9.40

Britain — Bank base rate 11.00; Call money 11⅛; 3-month interbank 11⅛; 6-month interbank 11.00

France — Intervention rate 9.00; Call money 9 11/16; 1-month interbank 9½; 3-month interbank 9½; 6-month interbank 9 9/16

Sources: Reuters, Salomon Brothers, Bank of…, Commerzbank, Credit Lyonnais.

ECONOMIC SCENE

Waste Not, Want Not, And Sell Your Credits

By John Holusha
New York Times Service

NEW YORK — Recycling has moved into the same league as motherhood, the flag and apple pie. A poll taken last year by the Roper Organization found that 74 percent of those who answered favored mandatory recycling to ease environmental problems. But solid-waste disposal problems vary widely across the United States.

Embracing one disposal method over others may increase costs without necessarily providing environmental benefits.

It is certainly true that when thrown-away materials are recovered and turned into new products, there are several benefits.

Obviously, that much less material is going to overburdened landfills. Re-use also eliminates the need to mine or harvest virgin materials, and reprocessing usually involves less pollution than extraction and refining.

Companies that use recycled material could sell credits to other companies.

Some materials, largely metals, have been recovered for years. A sophisticated network of dealers and processors collects the steel in old cars and industrial projects and sells it to mills as a raw material. Aluminum-can makers have promoted the recycling of beverage containers.

But other materials have not fared so well. Old newspapers have piled up for lack of equipment to de-ink and repulp them into new paper.

Plastics come in a multiplicity of chemical formulations, which must be separated to be of much use. Markets for most recycled plastics have been slow to develop as well.

To promote recycling, 38 states have enacted a variety of product bans, mandates, taxes and tax incentives.

Now, with the federal law that governs solid waste, the Resource Conservation and Recovery Act, due for reauthorization, some environmentalists are pushing for national standards.

THEY WOULD INSIST that a broad variety of materials and products contain a certain percentage of material recycled from trash bins. But many economists argue that such a rule would be wrong.

Recycling may make economic sense in highly populated areas where landfill fees have been rising. But elsewhere, landfill space is abundant and cheap and reprocessing plants are nonexistent.

There, people would be better off dumping and using the money for other purposes, if there is no environmental threat.

Still, environmental groups see a federal mandate as essential to develop recycling industries.

An effort to reconcile the two positions is included in a report, "Project 88-Round 2," drafted by Robert N. Stavins, a professor at Harvard's Kennedy School of government.

The report is significant because its predecessor, issued in 1988 at the behest of Senators Timothy E. Wirth and John Heinz, had an important influence on the Clean Air Act passed last year.

The Clean Air Act allows generators of acid rain gases to trade credits, allowing the emission of a certain amount of pollutants.

This is intended to encourage the company that can curb pollution at the least cost to do so and sell its credits to companies where clean-up costs would be higher. The argument is that this is the lowest-cost approach to reducing pollution.

The current report would take a similar approach, using tradable permits as part of a general trend toward using market techniques to achieve environmental goals.

This approach would increase the demand, and presumably the price, of recycled materials without forcing companies that are unable to use them to make expensive alterations to their production processes.

As markets for recycled materials develop, generators of solid waste will have to calculate whether the prices being offered justify the cost of collection and separation, minus the cost of dumping in an approved, environmentally sound landfill.

For some, the answer will be to recycle. But for others, dumping will make more sense.

CURRENCY RATES

Cross Rates

July 26

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.969	3.315	1.1275	0.3315	0.1512*	—	5.4065*	1.2993	1.4222*	1.7165	100.30*
Brussels	35.9975	60.585	20.593	6.055	2.7614*	18.2675	—	23.40	0.3617	31.3425	32.923*
Frankfurt	1.7456	2.94	—	0.294	0.1341*	0.887	4.856*	1.1461	1.262*	1.5185	1.398*
London (a)	1.6875	—	2.9378	9.9793	2,190.00	3.3048	60.465	2.5673	232.62	1.9485	183.77
Madrid	109.434	184.222	62.677	18.419	8.398*	55.593	3.0436	71.887	79.071*	95.389	—
Milan	1,303.00	2,193.50	746.35	219.28	—	661.85	36.257	855.28	9.416	1,134.75	11.91
New York (b)	—	1.682 a	1.744	5.934	1,302.00	1.966	35.92	1.5227	137.60	1.1494	109.25
Paris	5.9425	10.005	3.4025	—	0.4561*	3.0178	0.1452	3.9055	4.2465*	5.174	5.4025*
Tokyo	138.65	231.68	78.73	23.17	0.1056	69.85	3.8248	90.44	—	120.37	1.2621
Toronto	1.1484	1.9044	0.6592	0.1937	0.885*	0.5848	3.207*	0.7532	0.8346*	—	1.057*
Zurich	1.514	2.564	0.8734	0.2562	0.1149*	0.7737	4.3444*	—	1.0993*	1.3171	1.3909*
1 ECU	1.1752	0.6981	2.0519	6.9824	1,531.75	2.3134	42.2541	1.791	162.647	1.3494	128.686
1 SDR	1.3324	0.7914	2.3258	7.9175	1,736.12	2.6227	47.583	2.0292	184.287	1.5351	145.804

Closings in Amsterdam, London and Zurich, fixings in other centers; New York closing prices and Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	9965.0	Greek drac.	190.65	Mex. peso	3031.00	S. Afr. rand	2.8615
Austral. $	1.2912	Hong Kong $	7.7515	N. Zealand $	1.7528	Soviet ruble*	0.5983
Austr. schil.	12.23	Indian rupee	25.773	Norw. krone	6.8115	Swed. krona	6.328
Brazil cruz.	339.60	Indo. rupiah	1946.02	Phil. peso	27.00	Taiwan $	26.65
Chinese yuan*	5.3471	Irish £	0.6519	Port. escudo	148.50	Thai baht	25.65
Danish krone	6.7515	Israeli shek.	2.3068	Saudi riyal	3.75	Turkish lira	4388.01
Egypt. pound	3.2977	Kuwaiti dinar	0.2933	Sing. $	1.7497	UAE dirham	3.672
Fin. markka	4.182	Malay. ring.	2.784	S. Kor. won	725.70	Venez. boliv.	59.65

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6852	1.6780	1.6715	Canadian dollar	1.1515	1.1543	1.1565
Deutsche mark	1.7395	1.7443	1.7492	Japanese yen	138.16	139.31	139.45
Swiss franc	1.5164	1.5190	1.5212				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

July 26

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	5 7/8-6	8 7/8-9	7 9/16-7 11/16	11 1/8-11 1/4	9 5/16-9 1/2	7 5/16-7 7/16	9 13/16-9 15/16	7 1/16
2 months	5 7/8-6	9-9 1/8	7 3/4-7 7/8	11 1/8-11 1/4	9 3/8-9 1/2	7 5/16-7 7/16	9 7/8-10	7 1/16
3 months	5 15/16-6 1/16	9 3/16-9 5/16	7 11/16-7 13/16	10 15/16-11 1/16	9 3/8-9 1/2	7 5/16-7 7/16	9 15/16-10 1/16	7 1/8
6 months	6 1/16-6 3/16	9 3/8-9 1/2	7 11/16-7 13/16	10 7/8-11	9 3/8-9 1/2	7 3/8-7 1/2	10 1/16-10 3/16	7 1/8
1 year	6 1/2-6 5/8	9 1/2-9 5/8	7 3/4-7 7/8	10 3/4-10 7/8	9 3/4-9 7/8	6 15/16-7 1/16	10 1/16-10 3/16	7 1/8

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

July 26

United States	Close	Prev.
Discount rate	5 1/2	5 1/2
Prime rate	8 1/2	8 1/2
Federal funds	5 11/16	5 13/16
Com paper 90-179 days	6.00	6.00
3-month Treasury bills	5.57	5.57
6-month Treasury bills	5.67	5.68
1-year Treasury bills	5.86	5.86
30-year Treasury bond	8.40	8.38
2-month CD's	5.70	5.70
3-month CD's	5.80	5.80
Japan		
Discount rate	5 1/2	5 1/2
Call money	7 11/32	7 5/16
2-month interbank	7 11/32	7 1/4
3-month interbank	N.Q.	N.Q.
Germany		
Discount rate	6 1/2	6 1/2
Lombard rate	9.00	9.00
Call money	8.85	8.85
1-month interbank	8.95	8.95
3-month interbank	9.15	9.10
6-month interbank	9.40	9.35
Britain		
Bank base rate	11.00	11.00
Call money	11 1/8	11 1/8
3-month interbank	11 1/8	11 1/8
6-month interbank	11.00	11.00
France		
Intervention rate	9.00	9.00
Call money	9 11/16	9 3/4
1-month interbank	9 1/2	9 5/8
3-month interbank	9 1/2	9 1/2
6-month interbank	9 9/16	9 9/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

July 26

1 month	5 7/8 - 6
2 months	5 15/16 - 6 1/16
3 months	6 - 6 1/8
6 months	6 1/16 - 6 3/16
1 year	6 5/16 - 6 7/16

Source: Reuters.

U.S. Money Market Funds

July 26

Merrill Lynch Ready Assets
30-day average yield: 5.46
Telerate Interest Rate Index: 5.898
Source: Merrill Lynch, Telerate.

GOLD

July 26

	A.M.	P.M.	Ch'ge
Hong Kong	365.15	365.85	Unch.
Luxembourg	365.85	—	+0.05
Paris (12.5 kilo)	363.84	363.76	—0.74
Zurich	364.90	363.95	—1.00
London	364.70	364.10	—0.80
New York	—	366.25	+1.90

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

EC in Pact On Japan Car Sales

Now Tokyo Must Approve Accord

By Charles Goldsmith
International Herald Tribune

BRUSSELS — Capping months of often acrimonious debate, European Community ambassadors agreed Friday to a proposal to limit imports of Japanese cars during a seven-year transition period after the EC single market takes effect in 1993, officials said.

The EC position, which must be approved by the Japanese government, would give Japanese cars — direct imports plus vehicles made in Japanese "transplant" factories in the Community — 16 percent of the EC market in 1999.

Beginning in the year 2000, the EC market would be totally free.

A spokesman for the EC Commission said it was "uncertain when a deal will be finalized."

The Community and Japan have been negotiating over the import limits since early last year, so the final EC position is hardly a surprise to the Japanese. Few expect lengthy additional negotiations, but the proposal's complexity makes final approval "more than a formality," said an EC diplomat.

"We would like it to be finalized as soon as possible," said Takayuki Imajo, director of the Japan Automobile Manufacturers Association office in Brussels. "This is a long-term arrangement, and our manufacturers need time to adjust themselves to it."

The agreement would limit direct imports from Japan in 1999 to 1.23 million cars, a virtual freeze on current levels.

The Community would also expect that Japanese transplant production, which now totals 260,000 per year, to not exceed 1.2 million vehicles. But this number would not be binding, because restricting production within the Community would violate EC free-trade laws.

The 1.23 million direct imports plus 1.2 million transplants would total 16 percent of what is expected to be an EC market of 15.1 million cars in 1999.

Within the overall import limit for 1999, five EC countries that currently restrict imports would have individual limits.

British Airways and Aeroflot To Form New Soviet Carrier

Compiled by Our Staff From Dispatches

LONDON — The Soviet carrier Aeroflot and British Airways PLC are to jointly create a new, Moscow-based international airline called Air Russia, the British carrier announced Friday.

The agreement is the splashiest of a handful of Western investments in the Soviet Union announced since the Group of Seven industrialized countries last week pledged support, but no direct aid, for President Mikhail S. Gorbachev's efforts to modernize the Soviet economy.

Air Russia is expected to start flying in 1994. It will have an initial fleet of seven new Boeing 767-300 extended range aircraft serving destinations in Europe, North America and the Far East, British Airways said.

The establishment of Air Russia "will improve the competitive position of the U.S.S.R. aviation industry as well as the infrastructure for transport and tourism," said Lord King, the chairman of British Airways.

He also said Air Russia would offer customer service to compete with the world's leading airlines. Aeroflot has operated way below Western standards.

Besides Aeroflot and British Airways, the airlines that currently fly in and out of the Soviet Union are Pan American World Airways, the German carrier Lufthansa, Swissair, Austrian Airlines, KLM Royal Dutch Airlines and Finnair.

An agreement to begin setting up the new airline was signed in London on Friday by Lord King; Boris Panjukov, the Soviet minister of civil aviation, on behalf of Aeroflot, and Uri Lebedov, minister of the Russian Republic. It follows a protocol agreement signed in October.

The agreement also calls for the construction of a new international terminal at Domodedevo Airport in Moscow, which will be developed as an international hub for Air Russia, British Airways said.

British Airways will get a 31 percent stake in Air Russia in exchange for a £20 million ($34 million) investment. The balance of shares will be held by other participants in the Soviet Union and the Russian Republic.

The partners also have formed a leasing company to provide aircraft to the new venture, it said. The leasing company will be created and owned by a consortium of financial institutions, with British Airways holding a minority stake, it said.

The Soviet venture is part of the British airline's long-term strategy of establishing new hubs to reinforce its international operations.

The carrier is working to create a German airline based in Berlin with German partners. It also is seeking to finalize a deal with Sabena, the Belgian flag carrier, that would give British Airways a 25 percent stake for a £100 million investment.

For Aeroflot, the biggest air carrier in the world, the deal will offer Western knowledge of how to run a profitable airline, said Lee Howard, chief executive of Airline Economics, a Washington-based consulting firm.

"That's very important to them because they have lived in their own shell for all these years and Aeroflot certainly has not been exposed to the commercial operations of the Western world," he said.

A Houston-based group that includes Airline Economics has recently taken an approximately 50 percent stake in a part of Aeroflot that will serve 76 Soviet cities and a number of points in northern Europe, Mr. Howard said. That venture, to be called Baltic International Airways, is due to begin operations on Oct. 1. *(AP, UPI)*

Inflation Spurs Talk of a Rise in German Rates

By Richard E. Smith
International Herald Tribune

FRANKFURT — Inflation in Western Germany hit the highest rate in nearly a decade in July, surprising the Bundesbank and increasing pressure for a rise in the discount rate soon.

According to preliminary figures released Friday, the inflation rate rose to 4.5 percent in July from a rate of only 3.5 percent in June.

The July rate was the highest recorded since December of 1982.

Although a sharp jump had been expected because of this month's sizeable tax increases, many economists noted that imported inflation and other factors had stoked the rise further.

Helmut Schlesinger, the well-reputed inflation-fighter who takes over as Bundesbank president in August, said in an interview published Friday before the figures were released that the July rate could be as high as 4.4 percent and that this "is considerably more than we expected."

Predicting that the figure probably would not fall below 4 percent again this year, he said in an interview with the Financial Times that the discount rate is "way out of line with market rates" and "we must gradually get back to normal conditions."

The Bundesbank's policy-making central bank council meets after its summer recess on Aug. 15, and many economists predict that a rise may be decided then.

"They will probably have to take action in order to stem damage to the Deutsche mark on the foreign exchange markets," said Dietmar Viertel, economist with Trinkaus & Burkhardt in Düsseldorf.

Many foreign exchange dealers and economists believe that the new inflation figures leave the Bundesbank little choice but to act sometime in the late summer or early autumn. Speculation about an interest-rate increase, at the same time that U.S. economic data on Friday cast doubt on the strength of the recovery there, helped drive the dollar down against the mark.

Hilmar Kopper, chief executive of Deutsche Bank, added his voice last week to those predicting action. He said a rise in rates this autumn was unavoidable.

It is widely expected that the discount rate, currently at 6.5 percent, will be raised a notch to bring it closer in line with the Lombard rate, at 9 percent. Usually the gap is much narrower and often in the past it has been only one percentage point as opposed to the current gap of 2.5 points.

The discount rate, through which the Bundesbank lends funds using bills as collateral, is so low in relation to money market rates that some claim it is virtually subsidizing some forms of lending.

The Lombard, under which the Bundesbank lends funds using securities as collateral, offers unlimited borrowings but at levels normally above market rates.

Some economists noted that the Bundesbank might consider holding off action until September, when it may want to give a special signal to certain unions that will be negotiating a wage round later this autumn.

The last round of rate increases, decided in January, was largely viewed as a Bundesbank warning against excessive union demands.

See GERMANY, Page 9

Kaifu Threatens Brokers With Inquiry

The Associated Press

TOKYO — In his most extensive comments on a widening scandal, Prime Minister Toshiki Kaifu on Friday gave businesses an ultimatum: either say whether brokerages had reimbursed them for investment losses or face a parliamentary inquiry.

The disclosure that major brokerages have paid more than $1 billion to large clients for investment losses is one of several recent scandals shaking Japan's business community.

Another one deepened Friday when Kyowa Saitama Bank Ltd. announced that a former employee had issued fake certificates of deposit worth $58 million to help clients obtain loans. The bank, the country's eighth-largest, said it fired the employee and had sued him and the clients.

The disclosure come one day after Fuji Bank Ltd. accused employees of having issued fake CDs worth $1.89 billion for 23 companies to use as collateral to obtain loans.

"I'm worried that public trust in financial institutions will be betrayed if such incidents continue to occur," Finance Minister Ryutaro Hashimoto told reporters on Friday. "I wonder whether something is wrong with their management system."

Other recent scandals have included a wide-ranging corporate espionage case and one involving inflated prices paid for art.

Mr. Kaifu, in his first extensive public comments on the brokerage scandal, said companies should respond voluntarily to strong public demand for identification of the firms involved, Kyodo News Service reported.

"If this is not possible, the Diet will have to take it up," he was quoted as saying.

Mr. Kaifu's comments followed his governing Liberal Democrats' rejection of an opposition demand that officials from Nomura Securities Co. and Nikko Securities Co. — Japan's two biggest brokerage houses — be summoned to testify at a parliamentary hearing.

Some opposition politicians said they believe governing party members were linked to the compensation deals.

Nomura is under criminal investigation for manipulating the stock price of Tokyu Corp., a major railway company.

A senior Justice Ministry official told Parliament earlier this week that prosecutors were investigating two cases filed against Nomura's former president, Yoshihisa Tabuchi. The Tokyo Stock Exchange says its investigation found no evidence of stock manipulation.

Nomura's chairman and president and Nikko's president have resigned to take responsibility for the scandals at their brokerages.

Newspapers reported Friday that the Finance Ministry will disclose next week a general list of companies involved in the current stock scandal, in which Japan's major brokerages compensated more than 200 favored clients for their investment losses. The list will describe the recipients by type of business — not by name, the reports said.

Baby Bell Decision Upsets Data Firms

By Eben Shapiro
New York Times Service

NEW YORK — Judge Harold H. Greene's decision to lift curbs on the seven U.S. regional Bell telephone companies provoked disappointment from companies already in the information business.

The ruling will have little immediate effect, however, because Judge Greene, who oversaw the 1984 breakup of the American Telephone & Telegraph Co., blocked it from taking effect until all appeals are exhausted.

Experts also said the decision was likely to increase pressure on Congress to introduce laws governing access to the phone networks.

Although information industry officials were upset, they took solace from Judge Greene's language, which offered support for their position that the so-called Baby Bells would have an unfair competitive advantage because they own the telephone lines.

The judge said the most likely consequence of the regional phone companies' entry into the field would be eliminating competition and concentrating the sources of information into a few companies.

Kenneth B. Allen, of the Information Industry Association, a Washington-based group of 650 companies, said that if the ruling is upheld on appeal, "according to Greene, a lot of our members might go out of business."

The U.S. consumer on-line business, which allows people with personal computers and a modem to connect to a range of banking, shopping and information services via the telephone, much like France Telecom's Minitel service, is estimated at $200 million a year.

While the Bell companies have been eager to get into the business of offering electronic yellow pages and other types of services, so far the field is more conspicuous for its failures than its successes.

"The Baby Bells are not going to be the solution to the problems of the industry," said Lorraine Sileo, an analyst with Simba Information Inc., in Wilton, Connecticut.

"If IBM can't do it, I don't think the phone companies can," she said of Prodigy Services Co., the IBM-Sears, Roebuck venture that has spent hundreds of millions of dollars on an on-line consumer business that is not yet profitable.

While it is potentially a positive development for the Baby Bells, other analysts also questioned U.S. consumer demand for information and services over computers linked to telephones. "Consumer need for this type of service has yet to be identified in any substantial way," said Karen Nielsen, an analyst with Northern Business Information.

Despite Inquiry, Pratt May Get U.S. Contract

By Steven Pearlstein and Robert F. Howe
Washington Post Service

WASHINGTON — The Pentagon is preparing to award what could be the largest airplane engine contract of the 1990s to Pratt & Whitney Co. at the same time that the Justice Department is investigating whether the company used stolen government information about a competitor's bid to win an earlier engine contract.

The final decision on the $9 billion engine contract for the Air Force's new Advanced Tactical Fighter may not be released until next week.

In April, the Air Force chose Pratt over General Electric Co. following a five-year competition in which both companies submitted designs for a new generation of engines that permit supersonic flight while still allowing the plane to evade radar.

Since then, court documents have surfaced identifying Pratt and some of its top executives as having been involved in an alleged criminal conspiracy. The papers were filed in connection with the guilty plea of Melvyn R. Paisley, the former assistant secretary of the Navy.

They allege that Mr. Paisley, after leaving office, passed on to a Pratt executive crucial information that allowed Pratt to win 30 percent of the engine business for the Navy's F-18 fighter program.

This week, Representative Nicholas Mavroules, Democrat of Massachusetts, a senior member of the House Armed Services Committee whose district contains a large GE plant, wrote the Pentagon urging that the awarding of the contract be delayed.

Pratt is the second United Technologies division to be caught up in the same investigation. More than a year ago, three former executives of Norden Systems Inc. admitted that they participated in an influence-peddling scheme designed to buy Norden confidential information that would help the company compete for a $100 million Marine Corps communications system. The company was not charged.

BAUME & MERCIER
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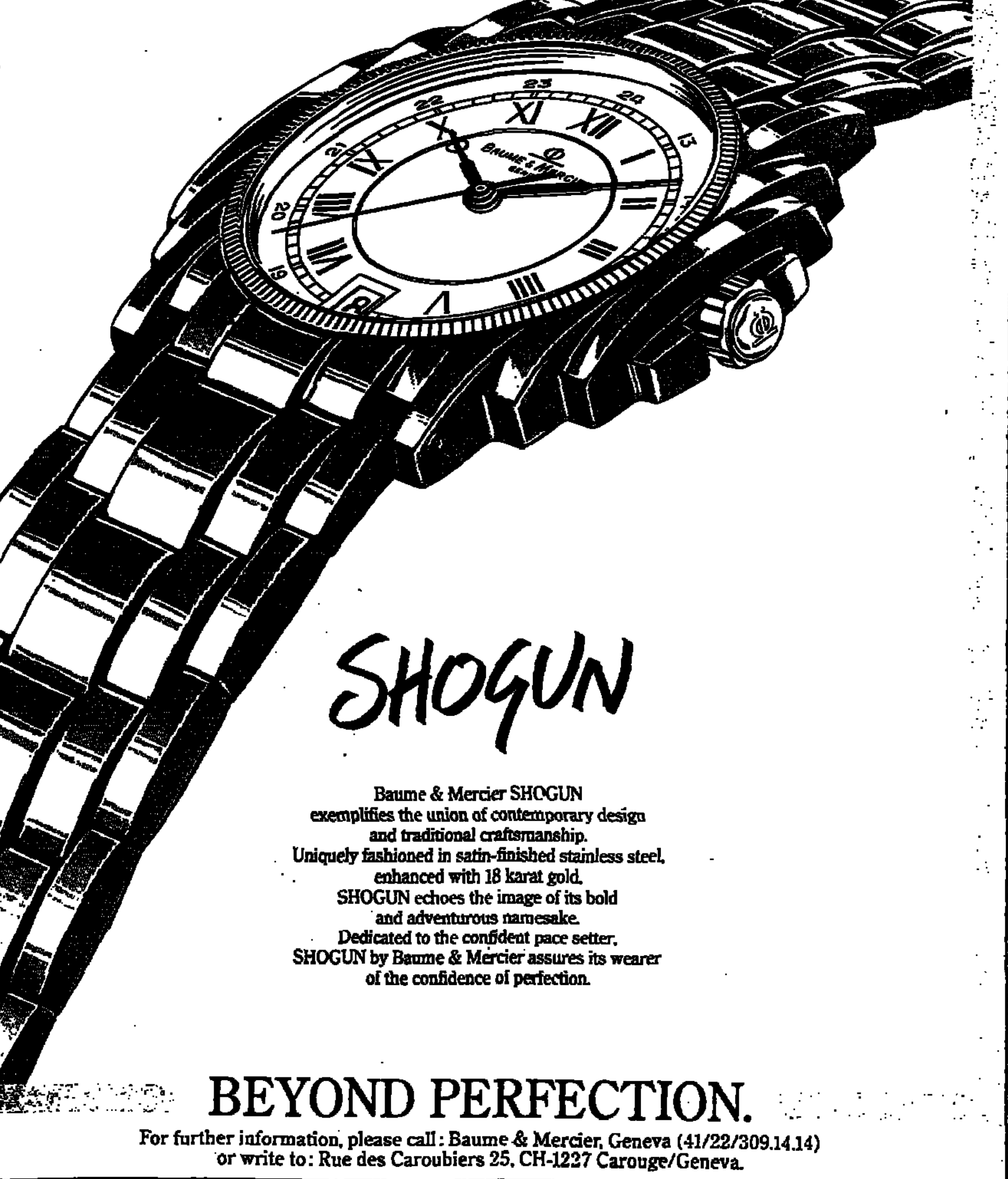

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MARKET DIARY

Stocks End Mixed After GNP Report

United Press International

NEW YORK — Stocks closed narrowly mixed in a dull session on the New York Stock Exchange Friday, with uncertainty about the direction of the economy keeping the market stuck in neutral.

The Dow Jones industrial average, which rose 13.87 points on Thursday, closed down 7.60 to 2,972.50.

Among the broad-based gauges, the New York Stock Exchange composite index was unchanged and Standard & Poor's 500-stock index slipped 0.03 to 380.93.

Advances edged out declines by a narrow margin. Volume was 127.6 million shares, down from 145.8 million on Thursday.

On the American Stock Exchange, stocks eased in light trading.

Optimism about the economy, which has been rocked by recent economic data, was greeted with another cause for worry Friday when the Commerce Department reported that the economy expanded a modest 0.4 percent rate in the second quarter.

Traders were concerned that the recovery would not be vigorous enough to boost corporate earnings, analysts said, and the market opened lower.

But as the day went on, the market regained the early losses. With volume so light, there was not enough interest to keep up the selling pressure.

"The statistics threw people into a tizzy," said William Raftery, analyst at Smith, Barney. "They just added to the confusion about where the economy is headed."

"There just was really not much that made investors want to do much one way or the other," said Dennis Jarrett, chief market strategist at Kidder, Peabody & Co. "People aren't sure what's taking place out there with regard to the economy."

Bank of Boston was the most active issue, unchanged at 10. On Thursday, it reported a drop in reserves for bad loans.

Pepsico followed, off ⅛ to 29⅝. Shawmut National was third, up ½ to 7⅞.

GNP: *A Nearly Imperceptible Rise*

(Continued from Page 1)

the second-quarter GNP did not add up to much strength. Jerry Jasinowski, president of the National Association of Manufacturers, said, "The economy is back on a breakeven path but is a long way from a robust recovery."

Consumer spending rose at an annual rate of 3.6 percent, but most of the strength was in April when confidence revived after the Gulf war; retail sales later declined.

New housing increased by 3.7 percent, its first rise since early last year. But business investment in new plant and equipment, an essential to sustain the recovery, dropped 2.3 percent, still an improvement over the winter quarter's plunge of 16.3 percent. And business inventories, seen by some as a major spur to recovery, continued falling at about the same rate as they did during the winter.

"If this is recovery," said Allen Sinai of Boston Co. Economic Advisers Inc., "it is punky, anemic, subpar or no more than 2 percent. As a card-carrying economist, I wouldn't certify the end of the recession without three or four months more data and two quarters of growth."

Michael Evans, head of a Washington forecasting firm, also forecast 2 percent growth — or just about the way the economy was moving a year ago. "The economy was inching along before the war and that is exactly what we have returned to. We have removed the problems associated with the war but nothing else has changed."

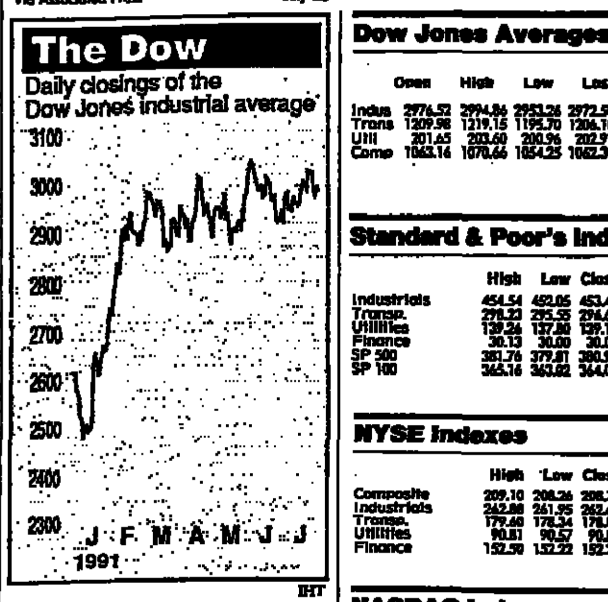
The dollar also fell to 137.60 yen in New York from 138.83 on Thursday, to 1.5227 Swiss francs from 1.5330 and to 5.9340 French francs from 5.9765. The pound rose to $1.6820 from $1.6735.

In London earlier, the dollar closed at 1.7385 DM.

N.Y. Stocks

Foreign Exchange

Via Associated Press July 26



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
BkBost	27105	10½	10	10	
PepsiC	21363	30	29⅝	29⅝	— ⅛
AT&T	17403	40	39⅞	39⅞	
ShowNt	17107	8	7½	7⅞	+ ½
duPont	15372	49¼	48⅝	48⅞	+ ⅜
IntSpcl n	13727	15⅜	14	14⅛	—1⅛
MerLyn	13431	40⅝	40	40⅛	
GTE	13013	29⅝	29	29⅛	— ⅛
Harsco	12848	29⅛	27⅝	29	+1⅛
TimeW rt	12473	5½	3⅞	3⅞	—1⅝
BnkAm	12102	34⅛	33⅝	33⅝	— ⅛
TelMex n	11732	31⅝	31⅛	31⅛	— ⅛
USWst	11048	35⅞	35⅛	35⅞	+ ½
Convex	9016	14⅛	12⅜	12⅝	—2⅛
AmExp	8970	25⅛	24½	24⅞	+ ⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Amdhl	3800	14½	13⅞	13⅞	— ½
A-dd scs	3398	13⅛	12⅛	12⅝	+ ½
Fruitl.	3099	16⅛	15⅛	16⅛	+1⅛
CornCr	2903	22⅛	21⅝	22⅛	
Hllhav	2712	2⅝	2½	2½	— ⅛
TubMex	2578	11	10⅝	10⅝	— ⅛
EchoBy	2352	9½	9⅛	9½	+ ⅛
BAT In	2312	12⅝	12⅛	12⅝	+ ¼
InstSy	2059	3½	3⅛	3½	+ ⅛
ThrElc n	1443	12⅛	12	12⅛	+ ⅛
Belmac	1182	9⅛	8⅝	9⅛	+1
Summa	1181	1½	1⅛	1⅛	
ENSCO	1177	2⅛	2⅛	2⅛	+ ⅛
IntMovie	1141	2⅝	2⅝	2⅝	
NY Tim	1120	22	21⅞	22	

NYSE Diary

	Close	Prev.
Advanced	778	899
Declined	739	677
Unchanged	527	488
Total Issues	2044	2064
New Highs	47	42
New Lows	6	11

Amex Diary

	Close	Prev.
Advanced	242	276
Declined	267	244
Unchanged	277	243
Total Issues	786	763
New Highs	18	19
New Lows	7	8

NASDAQ Diary

	Close	Prev.
Advanced	982	948
Declined	803	841
Unchanged	2,339	2,338
Total Issues	4,124	4,127

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2976.52	2994.86	2953.26	2972.50	— 7.60
Trans	1209.98	1219.15	1195.70	1206.10	— 2.64
Util	201.65	203.60	200.96	202.97	+ 1.32
Comp	1063.14	1070.66	1054.25	1062.30	— 1.27

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	454.54	452.05	453.49	—0.52
Transp.	298.23	295.55	296.64	—0.36
Utilities	139.26	137.80	139.12	+1.25
Finance	30.13	30.00	30.03	—0.07
SP 500	381.76	379.81	380.93	—0.03
SP 100	365.16	363.02	364.00	—0.71

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	209.10	208.26	208.78	Unch.
Industrials	262.88	261.95	262.69	—0.29
Transp.	179.40	178.34	178.80	—0.21
Utilities	90.81	90.57	90.81	+0.70
Finance	152.50	152.22	152.23	—0.27

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	493.05	490.27	492.49	+2.41
Industrials	547.92	544.43	547.35	+3.25
Finance	497.44	495.47	497.06	+1.73
Insurance	542.02	537.95	540.47	+0.87
Utilities	553.63	549.21	552.65	+2.12
Banks	326.80	324.43	324.87	—1.27
Transp.	508.70	503.87	506.36	+0.98

AMEX Stock Index

High	Low	Close	Ch'ge
365.25	364.41	364.51	—0.56

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	94.86	+0.07
10 Utilities	96.16	+0.13
10 Industrials	93.55	+0.01

Market Sales

NYSE 4 p.m. volume	127,760,000
NYSE prev. cons. close	177,859,000
Amex 4 p.m. volume	9,030,000
Amex prev. cons. close	12,023,000
NASDAQ 4 p.m. volume	124,665,100
NASDAQ prev. 4 p.m. volume	134,743,000
NYSE volume up	57,891,680
NYSE volume down	51,700,370
Amex volume up	3,596,770
Amex volume down	3,379,200
NASDAQ volume up	59,671,400
NASDAQ volume down	33,045,900

S&P 100 Index Options

July 26

Strike Price	Calls-Last Jly	Aug	Sep	Oct	Puts-Last Jly	Aug	Sep	Oct
335	—	—	31¾	—	⅝	1⅞	3⅛	—
340	24	27⅞	25⅝	38⅞	½	2⅝	4⅛	5½
345	20	22⅞	—	—	¾	3	5⅛	—
350	15	—	—	—	1⅛	4	6⅜	7⅞
355	10⅞	—	17¼	—	2⅛	5⅛	7⅝	—
360	7¼	11⅝	14⅛	—	3⅝	6⅞	8⅞	11
365	4⅛	8½	11	—	5⅛	8⅜	11	—
370	2⅜	5⅞	9	—	8⅞	11⅝	13¼	—
375	1⅝	3⅞	6⅛	—	12⅜	14⅞	19¾	—
380	⅝	2⅝	4⅝	6⅞	—	17⅞	19¾	—
385	⅜	1⅜	3	—	—	22⅛	—	—

Calls: total vol. 47,730; total open int. 273,549
Puts: total vol. 58,439; total open int. 285,872

	Dec 92	Dec 93	Dec 91	Dec 93
27½	—	—	⅝	—
30	—	9⅝	⅝	1½
32½	—	—	1⅛	—
35	—	—	2⅜	2⅝
37½	—	—	3⅛	4
40	—	—	4⅝	—

Calls: total vol. 13; total open int. 22,480
Puts: total vol. 392; total open int. 45,507
Source: CBOE.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev.Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Aug	250.20	266.20	255.00	253.00	252.00	254.00
Oct	209.00	210.40	210.20	205.00	204.40	204.80
Dec	192.00	199.40	190.00	189.80	189.20	N.T.
Mar	193.00	194.40	195.80	192.00	190.20	191.40
May	194.00	196.00	197.20	194.00	191.20	195.40
Aug	194.60	200.00	197.80	197.40	194.60	200.00
Oct	192.60	200.00	N.T.	N.T.	195.00	196.40
Est. Sales 471.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
Jul	608	615	596	592	584	595
Sep	639	640	641	640	607	608
Dec	683	683	684	648	645	646
Mar	701	702	701	687	683	684
May	718	720	717	709	704	705
Jul	736	738	736	728	724	725
Sep	757	N.T.	759	748	744	745
Est. Sales 4,024.						
COFFEE (FOX) Sterling per metric ton-lots of 5 tons						
Jul	510	516	515	500	505	517
Sep	540	542	550	514	532	534
Nov	561	562	562	536	550	552
Jan	569	570	571	553	564	565
Mar	583	584	584	572	583	584
Est. Sales 6,710.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Oct	286.00	282.60	283.00	284.30	+ 0.30
Dec	274.90	272.50	272.50	275.50	+ 0.50
Mar	N.T.	N.T.	272.00	274.00	+ 0.50
May	N.T.	N.T.	273.00	275.00	Unch.
Aug	N.T.	N.T.	271.00	274.00	+ 0.50
Oct	N.T.	N.T.	255.00	258.00	— 1.50

Est. sales 161. Prev. sales 246.
Open interest 10,903.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1271.00	1273.00	1260.00	1262.00
Forward	1303.00	1304.00	1292.00	1293.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1320.00	1321.00	1307.00	1307.50
Forward	1338.00	1338.50	1331.00	1332.00
LEAD Sterling per metric ton				
Spot	322.50	333.50	324.00	326.00
Forward	334.00	334.25	335.00	336.00
NICKEL Dollars per metric ton				
Spot	8250.00	8270.00	8150.00	8160.00
Forward	8280.00	8285.00	8175.00	8185.00
TIN Dollars per metric ton				
Spot	5695.00	5700.00	5740.00	5750.00
Forward	5785.00	5790.00	5830.00	5840.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1060.50	1061.00	1055.00	1057.00
Forward	1076.00	1077.00	1072.00	1073.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) - pounds 500,000 : pts of 100 pct				
Sep	89.30	N.A.	89.28	—0.01
Dec	89.76	89.69	89.74	+0.03
Mar	89.91	89.85	89.91	+0.05
Jun	89.79	89.71	89.78	+0.05
Sep	89.62	89.58	89.60	+0.03
Dec	89.51	89.49	89.49	+0.02
Mar	89.38	89.36	89.39	+0.04
Jun	89.38	89.33	89.38	+0.04
Sep	89.34	89.34	89.34	+0.02
Dec	89.34	89.33	89.33	+0.02
Est. volume: 19,062. Open interest: 129,974.				
3-MONTH EURODOLLARS (LIFFE) - $1 million pts of 100 pct				
Sep	93.85	93.80	93.85	+0.03
Dec	93.37	93.29	93.35	+0.02
Mar	93.34	93.27	93.34	+0.05
Jun	92.94	92.88	92.92	+0.05
Sep	92.43	92.43	92.44	+0.01
Dec	N.T.	N.T.	91.99	+0.01
Mar	N.T.	N.T.	92.01	Unch.
Jun	N.T.	N.T.	91.80	Unch.
Est. volume: 4,806. Open interest: 28,304.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Sep	90.63	90.57	90.59	—0.03
Dec	N.A.	90.53	90.55	—0.02
Mar	90.79	90.73	90.75	—0.02
Jun	90.95	90.89	90.88	—0.06
Sep	91.09	91.00	91.03	—0.04
Dec	91.22	91.20	91.21	—0.05
Mar	N.T.	N.T.	91.31	—0.03
Jun	91.35	91.25	91.32	—0.06
Est. volume: 25,376. Open interest: 109,302.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Sep	92-03	91-22	92-02	+0-10
Dec	N.T.	N.T.	92-03	+0-10
Est. volume: 12,221. Open interest: 34,741.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Sep	83.72	83.53	83.56	—0.07
Dec	83.83	83.74	83.74	—0.04
Mar	N.T.	N.T.	83.86	—0.04
Est. volume: 33,416. Open interest: 83,103.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Aug	185.50	183.50	185.50	185.25	+0.75
Sep	186.25	184.50	186.00	186.00	+0.75
Oct	189.00	186.75	189.00	189.00	+1.25
Nov	189.75	187.75	189.75	189.75	+0.75
Dec	190.25	188.50	190.25	190.25	+0.25
Jan	187.25	185.50	187.00	187.00	+1.00
Feb	183.00	182.00	182.50	182.50	+0.75
Mar	178.25	175.75	178.75	178.25	+1.25
Apr	175.25	173.25	175.25	173.25	+1.00
Est. Sales 8,000. Prev. sales 8,201. Open interest 84,047					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Sep	19.70	19.53	19.44	19.62	+0.07
Oct	19.68	19.56	19.57	19.56	+0.01
Nov	19.63	19.53	19.55	19.55	—0.05
Dec	19.62	19.45	19.45	19.45	—0.10
Jan	19.45	19.30	19.30	19.30	—0.18
Feb	N.T.	N.T.	N.T.	19.30	—0.10
Mar	N.T.	N.T.	N.T.	19.20	—0.05
Apr	N.T.	N.T.	N.T.	19.20	—0.05
May	N.T.	N.T.	N.T.	19.10	Unch.
Est. Sales 15,000. Prev. sales 14,088. Open interest 60,047					

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Sep	2632.0	2621.0	2627.0	+15.0
Dec	N.T.	N.T.	2668.5	+15.5
Est. volume: 3,549. Open interest: 37,856.				

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Dividends

Company	Per	Amt	Pay	Rec
STOCK SPLIT				
Surgical Care — 3-for-2				
USUAL				
Am Heritage Life	M	.09	8-21	8-12
Am Heritage Life	M	.09	9-27	9-16
Am Heritage Life	M	.09	10-25	10-14
Amer Home Prods	Q	.57½	9-1	8-12
Am Natl Insur Tex	Q	.43	9-20	9-6
Arkla Exploration	Q	.05	9-13	8-23
Assoc Banc-Corp	Q	.20	8-15	8-6
Badger Paper Mills	Q	.17	9-16	8-23
Bando McGlocklin	Q	.22	8-15	8-5
Brown Foreman cl-A	Q	.54	10-1	9-3
Brown Foreman cl-B	Q	.54	10-1	9-3
Combrex Corp	Q	.06	9-3	8-9
Canadian Utils cl-B	Q	c.35	9-1	8-12
Chattem Inc	Q	.16	9-3	8-19
Citizens Secur Grp	Q	.02	8-31	8-7
Comdisco Inc	Q	.07	9-9	8-12
Comptek Research	Q	.06	9-4	8-15
Cross (AT) Co	Q	.32	9-22	8-8
Crown Cent Pet cl-A	Q	.10	8-23	8-5
Crown Cent Pet cl-B	Q	.10	8-23	8-5
Empire Dist Elec	Q	.60½	9-15	9-1
Giddings & Lewis	Q	.04	8-30	8-14
Intl Shipholding	Q	.05	9-27	9-13
Iowa-Ill Gas & El	Q	.42⅛	9-3	8-5
KaufmanBroad Hme	Q	.07½	8-26	8-14
Kerr Addison Mines	Q	c.15	9-13	8-22
Lawter Intl	Q	.11½	9-4	8-16
Middlesex Water	Q	.47	9-3	8-15
Myers Industries	Q	.05	10-1	9-13
NCH Corp	Q	.43	9-13	8-30
Northern Telecom	Q	.08	9-30	8-15
Old Nat Bancorp	Q	.21	9-13	9-3
Premier Fncl Svcs	Q	.05	8-30	8-15
Quaker State Corp	Q	.10	9-13	8-15
Ragan (Brad) Inc	Q	.20	8-22	8-9
Regal-Beloit Corp	Q	.15	10-15	9-20
Roosevelt Fincl Grp	Q	.15	8-30	8-15
Royal Trustco cl-A	Q	c.19	8-14	8-6
Southern Cal Water	Q	.65	9-1	8-12
Susquehan Bncshrs	Q	.25	8-20	7-31
Syntex Corp	Q	.23	9-16	8-15
Trinova Corp	Q	.17	9-13	8-15
Union Bank	Q	.25	10-11	9-13
VWR Corp	Q	.09	9-5	8-9
Westamer Bancrp	Q	.12	11-13	10-18
Yellow Freight Syst	Q	.23½	8-19	8-5

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
July 25	568,313	594,325	13,896
July 24	575,964	647,894	44,172
July 23	608,970	725,078	9,881
July 22	512,491	687,305	13,219
July 19	621,526	676,366	21,149

*Included in the sales figures.

U.S./AT THE CLOSE

Chrysler Quarterly Loss $212 Million

HIGHLAND PARK, Michigan (Reuters) — Chrysler Corp. announced Friday a $212 million loss in the second quarter, completing the picture of heavy losses among the U.S. Big Three automakers.

Chrysler said the loss, equal to 95 cents a share, came on revenue of $7.8 billion, compared with a $180 million, or 81 cent a share, profit in the same period a year ago. The automaker's revenues in the second quarter of 1990 were $8.85 billion.

On Thursday, General Motors Corp. and Ford Motor Co. reported combined losses that brought the Big Three deficit to nearly $1.3 billion for the latest quarter. That compares with a combined $1.9 billion profit in the second quarter of 1990.

FDIC Sues in RepublicBank Failure

DALLAS (Reuters) — U.S. regulators have asked for $690 million in damages from several prominent Dallas businessmen, saying they caused RepublicBank Corp. to collapse at a cost to taxpayers of $6.7 billion.

The Federal Deposit Insurance Corp. said the businessmen "recklessly disregarded their duties." Defendants included a number of well-known Dallas businessmen who sat on the board of RepublicBank Corp., which in 1987 merged with InterFirst Corp. to form First RepublicBank.

NCNB Corp. of Charlotte, North Carolina, acquired First RepublicBank in a 1988 federally assisted bailout. Among the defendants is Joseph Musolino, now vice chairman of NCNB Texas.

Bush Brother's Brokerage Is Fined

BOSTON (AP) — A stock brokerage owned by President George Bush's brother Jonathan was fined $30,000 and barred from trading with the public in Massachusetts for a year for failing to register in the state, a regulator said Friday.

The consent decree indicates that J. Bush & Co. engaged in 880 transactions with noninstitutional customers since 1988. The firm agreed to buy back stocks sold to Massachusetts clients over the past 43 months.

According to The Boston Globe, Mr. Bush wrote a letter to clients offering to buy back the stock, and said he had incorrectly assumed that accounts maintained in New York, with business done in New York, were New York accounts.

Delta to Pursue Lone Pan Am Bid

NEW YORK (UPI) — Delta Air Lines Inc. said Friday it would pursue an agreement with Pan Am Corp. for the purchase of certain assets despite reports of an abortive joint bid with United Airlines.

Delta said its agreement to buy European routes, the Northeast shuttle and other assets for $260 million has always been the only bid. "We are very close to a definitive agreement," a spokeswoman said.

A source familiar with the talks said the proposed joint action with United had collapsed possibly because it was too difficult to complete quickly.

Shell and Chevron Reports Dismal

NEW YORK — Shell Oil Co. on Friday reported a big second-quarter loss and Chevron Corp. said its profit dropped 41 percent.

Shell's $68 million loss was tied to charges associated with job cutbacks, but the results were still drastically lower than last year's performance. The loss compared to a $161 million profit for last year's second quarter. Revenues this year were $5.35 billion, up 3 percent.

Chevron said second-quarter earnings of $384 million were down from $648 million in the 1990 quarter. Chevron said sales rose 9 percent to $9.71 billion from $8.93 billion last year.

For the Record

Atlantic Richfield Co. is weighing job cuts and other cost-reduction measures, but the company declined comment on press reports of a cutback of up to 10 percent in the work force. *(Reuters)*

Aetna Life & Casualty reported second-quarter earnings of $160 million, down about 20 percent from the same period a year ago, on the day after its debt ratings were downgraded. *(UPI)*

Official Says CIA Reported in 1986 on BCCI Activities

Reuters

WASHINGTON — The Central Intelligence Agency reported alleged misdeeds by Bank of Credit & Commerce International to law enforcement agencies as early as 1986, a U.S. official said on Friday.

The official, who asked not to be named, said the CIA circulated a report on the bank, including allegations of illegal activities, to a variety of government agencies, "including law enforcement agencies."

The official denied a report that the document had been written by Robert Gates, the CIA director-designate who at the time was deputy CIA director.

The CIA is carrying out an internal review of any of its past contacts with the bank. BCCI branches worldwide were shut down on July 5 by regulators after allegations of widespread fraud.

"The review itself is not an unusual step and is not based on any evidence of wrongdoing," a spokesman, Mark Mansfield, said.

Time magazine reported the Justice Department had tried to derail investigation of BCCI partly because the CIA may have collaborated with a BCCI operatives allegedly involved in smuggling, kidnapping and possibly murder.

The CIA has dismissed this allegation as "absurd" and said accusations of illegal use of the bank by the CIA were unfounded.

■ **Bank Scandal Affects UN**

United Nations officials said Friday that about $500,000 in UN funds has been frozen in BCCI branches in Sierra Leone and Cameroon, The Associated Press reported from New York.

The officials also said the UN secretary-general, Javier Pérez de Cuéllar, twice took trips on planes owned by Gaith R. Pharaon, a Saudi major shareholder in BCCI.

WORLD STOCK MARKETS

Agence France Presse July 26

	Close	Prev.
Amsterdam		
ABN Amro Hld	38.40	38.40
ACF Holding	36.80	37.30
Aegon	120.30	119.60
Ahold	81.40	81.10
Akzo	114.90	114.30
AMEV	51	50.80
A'Dam Rubber	3.40	3.35
Bols	204	202.50
Buhrmann Tett	47.10	48.20
Center Parcs	25.25	26.50
CSM	81.10	81.30
DAF	23	23.30
DSM	110.60	110.70
Elsevier	84.70	85.10
Fokker	32.90	33.40
Gist-Brocades	33.90	34
Heineken	152.30	152.30
Hoogovens	[illegible]	63.10
Hunter Douglas	85	85.80
IHC Caland	61.80	61.70
Inter Mueller	81	81.50
Int'l Nederland	49.90	49.90
KLM	28.40	28.70
KNP	54	53.70
Nedlloyd	57.10	57.10
Oce Grinten	58.10	57.90
Pakhoed	191.50	193.50
Philips	33.40	33.40
Robeco	100.70	100.60
Rodamco	53.40	53.60
Rolinco	101	100.70
Rorento	66.30	66.20
Royal Dutch	159.40	160.90
Unilever	161.70	161.70
Van Ommeren	45.70	46.10
VMF Stork	44.50	45.10
VNU	75.30	75.20
Wessanen	85.80	85.80
Wolters/Kluwer	53.70	53.50
CBS trend index : 93.60		
Previous : 93.80		
Brussels		
AG Fin	1745	1755
Arbed	4160	4255
Barco	1126	1108
Bekaert	9220	9280
Cockerill	176	176
Cobepa	4970	4985
Delhaize	7780	7800
Electrabel	4370	4400
GB-Inno-BM	1280	1280
GBL	3420	3415
Gevaert	6550	6480
Hoboken	10825	10850
Intercom	N.A.	—
Kredietbank	4000	4000
Petrofina	11575	11575
Royal Belge	3945	3940
Soc Gen Banque	5000	4980
Soc Gen Belgique	2405	2400
Sofina	11625	11650
Solvay	12650	12800
Tractebel	8210	8200
UCB	17100	16875
Powerfin	2340	2355
Current Stock Index : 5673.27		
Previous : 5681.13		
Frankfurt		
AEG	189	188
Allianz Hold	2192	2213
Altana	647	637.50
Asko	862	862
BASF	227	227
Bayer	277.80	277.90
Bay. Hypo bank	346	344
Bay Vereinsbk	381.50	384
BBC	751	745
BHF Bank	375.50	377
BMW	501.30	504.50
Commerzbank	241.50	242.80
Continental	189	189
Daimler Benz	733.50	742
Degussa	338.20	343
Dt Babcock	160.50	162.70
Deutsche Bank	621	623.80
Douglas	695	702
Dresdner Bank	351.50	353
Harpener	295	309
Henkel	571.90	568.10
Hochtief	1300	1315
Hoechst	240.40	240.80
Hoesch	260.80	260
Holzmann	1290	1322
Horten	199	199
IWKA	304.50	309.50
Kali Salz	172.50	172
Karstadt	620	631
Kaufhof	450.50	450
KHD	163.20	165
Kloeckner Werke	133.80	135
Krupp Stahl	146.50	147
Linde	791	805
Lufthansa	134.20	134.80
MAN	370	371.50
Mannesmann	270	271.20
Metallgesell	480	486.50
Muench Rueck	2425	2425
Nixdorf	244.20	245
PKI	505	505.50
Porsche	810	810
Preussag	352.20	358.50
PWA	253	257
RWE	370	371
Rheinmetall	343	330
Schering	825	826
SEL	389.50	387
Siemens	643.30	646.40
Thyssen	221.30	222.50
Varta	317	324
Veba	335.70	337.70
VEW	198	199.50
Viag	369	371.50
Volkswagen	357.20	362.80
Wella	655	650
DAX Index : 1605.44		
Previous : 1615.35		
FAZ Index : 672.77		
Previous : 672.46		
Helsinki		
Amer A	53.50	54
Enso-Gutzeit	19.50	19.50
K.O.P.	34	32
Kymmene	63.10	65
Metra	70	70.50
Nokia	96	95
Pohjola	97	99
Repola	55	54
Stockmann	125	125
HEX Index : 1012.70		
Previous : 1001.70		
Hong Kong		
Bk East Asia	18.50	18.50
Cathay Pacific	8.85	8.85
Cavendish Int'l	3.85	3.75
Cheung Kong	21.20	20.80
China Light Pwr	20.70	20.70
Dairy Farm Int'l	10.70	10.60
Hang Lung Dev	8.25	8.30
Hang Seng Bank	31.25	31
Henderson Land	13.50	13.50
HK Air Eng.	18.30	18.50
HK China Gas	10.80	10.90
HK Electric	12.30	12.20
HK Land	9.10	9
HK Realty Trust	6.35	6.30
HK Shang Bank	27.80	27.40
HK Shang Hlls	4.60	4.50
HK Telecomm	6.85	6.80
HK Ferry	5.25	5.05
Hutch Whampoa	16.10	16
Hysan Dev	7.90	7.90
Jardine Math.	36.25	36.75
Jardine Str Hld	18.20	18.20
Kowloon Motor	7.40	7.40
Mandarin Orient	4.80	4.75
Miramar Hotel	5.70	5.80
New World Dev	11.70	11.70
SHK Props	22.40	22.30
Stelux	3.60	3.53
Swire Pac A	22	22
Tai Cheung Prps	4.45	4.65
TVE	1.59	1.58
Wharf Hold	10.70	10.70
Wing On Co	7.80	7.85
Winsor Ind.	9.75	9.90
World Int'l	3.70	3.80
Hang Seng Index : 4037.29		
Previous : 4012.42		
Johannesburg		
AECI	12	11.75
Altech	95	95
Anglo Amer	N.A.	113
Barlows	45.25	44.50
Blyvoor	6.50	6.50
Buffels	39	39
De Beers	87.50	85.75
Driefontein	41.35	40.25
Gencor	13.85	13.80
GFSA	80	81
Harmony	18	18
Highveld Steel	16.75	16.75
Kloof	32.75	31.75
Nedbank Grp	14	13.60
Randfontein	15	15
Rusplat	72	72
SA Brews	53.75	53.50
St Helena	26	26
Sasol	14	13.90
Welkom	15.80	17
Western Deep	122	120
Composite Stock Index : 3407		
Previous : 3439		
London		
Abbey Nat'l	3.02	2.98
Allied Lyons	5.48	5.70
Arjo Wiggins	2.86	2.87
Argyll Group	3.10	3.12
ASDA Group	0.90	0.92
Ass Brit Foods	5.38	5.32
BAA	4.35	4.30
BAe	5.83	5.72
Bank Scotland	1.18	1.14
Barclays	4.73	4.67
Bass	9.20	9.25
BAT	7.45	7.32
BET	1.98	1.95
BICC	4.77	4.80
Blue Circle	2.62	2.64
BOC Group	5.61	5.66
Boots	4.14	4.07
BP	3.43	3.45
Brit Airways	1.71	1.71
Brit Gas	2.74	2.71
Brit Steel	1.27	1.20
Brit Telecom	3.93	3.87
BTR	4.17	4.15
Cable Wire	5.71	5.70
Cadbury Sch	3.72	3.68
Comm Union	5.12	5.18
Courtaulds	4.32	4.32
Enterprise Oil	5.36	5.39
Eurotunnel	4.40	4.47
Fisons	4.93	4.95
Forte	2.67	2.62
GEC	1.84	1.84
Gen'l Acc	5.25	5.25
Glaxo	12.48	12.60
Grand Met	7.83	7.90
GRE	1.77	1.79
Guinness	9.82	9.89
GUS	16	15.80
Hanson	2.11	2.12
Hawker Sidd	5.80	5.73
Hillsdown	2.25	2.28
ICI	13.18	13.15
Kingfisher	5.28	5.20
Ladbroke	2.75	2.73
Land Sec	5.05	5.18
Lasmo	3.54	3.54
Legal Gen Grp	4.28	4.28
Lloyds Bank	5.38	5.38
Lonrho	2.63	2.65
Lucas Ind	1.43	1.41
Marks Sp	2.85	2.86
Maxwell	2.01	1.95
MEPC	4.71	4.79
Midland Bk	1.97	1.88
Nat'l Power	1.52	1.51
NatWest	3.25	3.14
NthWst Water	N.A.	3.71
Pearson	7.55	7.45
P & O	5.85	5.77
Pilkington	1.59	1.57
PowerGen	1.56	1.57
Prudential	2.46	2.41
Racal Elec	2.18	2.14
Rank Org	6.64	6.60
Reckitt Col	16.75	16.67
Redland	5.79	5.80
Reed Intl	4.56	4.54
Reuters	7.86	8
RMC Group	6.65	6.60
Rolls Royce	1.53	1.53
Rothmans	10.42	10.40
Royal Ins	3.97	4
Royal Scot	1.83	1.80
RTZ	5.83	5.83
Sainsbury	3.65	3.63
Scot Newcas	4.08	4.13
Sears Holds	0.85	0.85
Severn Trent	N.A.	N.A.
Shell	5.35	5.40
Smith Nephew	1.36	1.35
SmithKline B	8.21	8.30
Sun Alliance	3.67	3.69
Tarmac	2.38	2.37
Tate & Lyle	3.93	3.93
Tesco	2.76	2.74
Thorn EMI	7.53	7.45
Trafalgar Hse	2.23	2.25
TSB Group	1.43	1.44
Ultramar	2.45	2.47
Unilever	7.88	7.65
Utd Biscuits	3.86	3.86
War Loan 3½	N.Q.	34.88
Wellcome	7.20	7.20
Whitbread	4.91	4.86
Williams Hdgs	3.30	3.29
Willis Corroon	3.08	3.11
F.T. 30 Index : 2082.80		
Previous : 1996.60		
F.T.S.E. 100 Index : 2589.30		
Previous : 2577.60		
Madrid		
Bco. Bilbao/Viz.	3115	3120
Banco Central	4285	4290
Bco. Santander	5010	5050
Banesto	3560	3575
CEPSA	2260	2300
Dragados	2335	2360
Iberduero	684	680
Telefonica	975	977
S.E. General Index : 268.19		
Previous : 268.83		
Milan		
Alenia	2826	2840
Banca Comm	4770	4680
Bastogi	226.50	224
Benetton group	9843	9850
Cigahotels	2360	2385
CIR	2850	2850
Cred Ital	2730	2715
Enichem	1480	1481
Eridania	7350	7320
Ferfin	2124	2145
Ferfin Risp	1328	1330
Fiat SPA	5960	5975
Generali	32050	31950
IFI	15750	15025
Italcem	22200	22250
Italgas	3190	3160
Ita'mobiliare	75800	74200
Mediobanca	15750	15650
Montedison	1453	1459
Olivetti	3800	3770
Pirelli	2035	2030
RAS	19400	19250
Rinascente	7385	7348
Saipem	1450	1451
SIP	1145	1146
SME	3150	3097
Snia	1458	1450
Standa	35200	35200
Stet	2086	2095
Toro Assi Risp	23600	23520
MIB Index : 1113		
Previous : 1111		
Montreal		
Alcan Aluminum	24	24¼
Bank Montreal	36⅛	36
Bell Canada	43⅜	43¼
Bombardier A	23⅝	23⅝
Bombardier B	23½	23¼
Cambior	10⅛	10⅜
Cascades	4.95	4.90
Dominion Text A	6⅝	7⅛
Donohue	N.Q.	14
MacMillan Bl	21	20⅝
Memotec	N.Q.	9⅝
Nat'l Bk Canada	11	11
Power Corp.	15⅝	15⅝
Provigo	11½	11⅝
Quebec Tel	15½	15½
Quebecor A	N.Q.	17⅛
Quebecor B	16½	16½
Videotron	14	14
Industrials index : 1612.14		
Previous : 1619.94		
Paris		
Accor	760	758
Air Liquide	653	659
Alcatel Alsthom	572	574
Bancaire (Cie)	494	498.50
BIC	721	721
Bongrain	2300	2311
Bouygues	578	588
BSN-GD	897	903
Carrefour	1895	1915
Cerus	126.40	125.20
Chargeurs	776	788
Club Med	432.50	439
Dassault Aviatn	446	448
Elf-Aquitaine	347.20	354.40
Europe 1	1074	1065
Gen. Eaux	2325	2374
Hachette	176.20	182.90
Havas	468.50	474
Imetal	272	264.10
Lafarge Coppee	354	352.50
Legrand	3475	3482
Oreal (L')	594	600
L.V.M.H.	4298	4260
Matra	197	200.40
Merlin Gerin	469	479
Michelin B	101.50	101.20
Moulinex	147	147
Occidentale	N.A.	—
Paribas	425.20	425.80
Pernod-Ricard	1190	1205
Perrier	1370	1370
Peugeot	591	597
Printemps (Au)	782	778
Radiotechnique	510	518
Raff. St. Louis	1472	1464
Redoute (La)	4345	4340
Roussel Uclaf	1671	1665
Saint Gobain	468.70	469
Sanofi	875	878
S.E.B.	1649	1645
Skis Rossignol	685	675
Ste Generale A	432.30	434.40
Suez	335.40	333.50
Thomson-CSF	128.70	130.30
Total	834	853
Valeo	523	516
CAC 40 Index : 1767.46		
Previous : 1780.81		
Sao Paulo		
Banco do Brasil	115	115
Bradesco	8.99	8.20
Brahma	45	42.50
Paranapanema	4.95	5.02
Petrobras	1484	1480
Vale Rio Doce	222	229
Varig	31.50	31.00
Bovespa index : 16558		
Previous : 16983		
Singapore		
City Dev.	3.38	3.38
DBS	12.10	12.10
Fraser Neave	8.60	8.55
Harrisons Plant	1.37	1.35
Haw Par	2.63	2.65
Hume	3.68	3.68
Inchcape	4.30	4.32
Keppel	7.75	7.65
KL Kepong	2.76	2.70
Lum Chang	1.15	1.14
Malayan Banka	4.24	4.26
OCBC	8.55	8.55
OUB	5.45	5.50
OUE	6.85	6.90
Sembawang	7.20	7.15
Shangrila	5.85	5.75
Sime Darby	2.49	2.43
SIA	13.70	13.60
S'pore Land	5.85	5.90
S'pore Press	8.95	8.90
Sing Steamship	2.43	2.44
Straits Trading	2.80	2.82
UOB	6.98	6.90
United Overseas	1.61	1.60
Straits Times Ind. : 1584.87		
Previous : 1590.82		
Stockholm		
AGA	315	315
Alfa Laval	255	254
Asea	388	390
Astra-A	617	621
Atlas Copco	265	267
Electrolux B	270	273
Ericsson	183	186
Esselte-A	162	162
Handelsbanken	126	124
Norsk Hydro	188.50	188
Procordia AF	180	180
Sandvik	357	352
SCA-A	117	118
S-E. Banken	77.50	78
Skanska	370	385
SKF	111	110
Stora	350	350
Trelleborg B	125	127
Volvo	370	370
Affaersvaerlden : 1093.60		
Previous : 1097.28		
Sydney		
ANZ	3.76	3.77
BHP	13.40	13.45
Boral	3.37	3.38
Bougainville	0.68	0.68
Coles Myer	10.90	10.95
Comalco	3.97	4.05
CRA	14.20	14.05
CSR	5.46	5.44
Dunlop	5.84	5.12
Fosters Brew	1.71	1.73
ICI Australia	4.20	4.23
Magellan	2.20	2.20
MIM	2.04	2.04
Nat Aust Bank	6.96	6.86
News Corp	8.04	8.14
Nine Network	0.57	0.56
N Broken Hill	2.38	2.41
Poseidon	1.25	1.24
QCT Resources	1.30	1.30
Santos	3.50	3.54
TNT	0.69	0.68
Western Mining	5.44	5.38
Westpac Banking	4.65	4.57
Woodside	3.41	3.41
All ordinaries index : 1563.10		
Previous : 1559.00		
Tokyo		
Akai Electr	1130	1140
Asahi Chemical	736	743
Asahi Glass	1180	1190
Bank of Tokyo	1300	1310
Bridgestone	1050	1030
Canon	1560	1560
Casio	1440	1440
C.Itoh	665	660
Dai Nippon Print	1490	1480
Daiwa House	1870	1870
Daiwa Securities	1240	1190
Fanuc	5140	5190
Fuji Bank	2520	2470
Fuji Photo	3530	3460
Fujitsu	1070	1050
Hitachi	1160	1120
Hitachi Cable	1100	1120
Honda	1480	1450
Ito Yokado	4530	4540
Japan Airlines	1200	1160
Kajima	1530	1530
Kansai Power	2840	2820
Kawasaki Steel	406	400
Kirin Brewery	1510	1490
Komatsu	865	869
Kubota	661	655
Kyocera	6280	6310
Matsu Elec Inds	1680	1680
Matsu Elec Wks	1580	1550
Mitsubishi Bk	2510	2520
Mitsubishi Kasei	495	489
Mitsubishi Elec	706	690
Mitsubishi Hev	727	721
Mitsubishi Corp	1260	1240
Mitsui and Co	763	754
Mitsukoshi	1230	1220
Mitsumi	1680	1680
NEC	1470	1450
NGK Insulators	1110	1110
Nikko Securities	917	901
Nippon Kogaku	1180	1170
Nippon Oil	958	953
Nippon Steel	423	415
Nippon Yusen	625	627
Nissan	744	732
Nomura Sec	1750	1730
NTT (SF)	9231	9264
Olympus Optical	1330	1300
Pioneer	4070	4010
Ricoh	717	716
Sanyo Elec	579	566
Sharp	1560	1560
Shimazu	802	810
Shinetsu Chem	1650	1650
Sony	6170	6160
Sumitomo Bk	2240	2230
Sumitomo Chem	455	459
Sumi Marine	975	969
Sumitomo Metal	430	420
Taisei Corp	913	907
Taisho Marine	989	985
Takeda Chem	1540	1510
TDK	6130	6100
Teijin	542	535
Tokyo Marine	1270	1270
Tokyo Elec Pw	3680	3650
Toppan Printing	1370	1340
Toray Ind.	628	633
Toshiba	762	750
Toyota	1640	1630
Yamaichi Sec	919	909
Nikkei 225 : 23584		
Previous : 23383		
Topix Index : 1833		
Previous : 1818		
Toronto		
Abitibi Price	16	16½
Agnico Eagle	5⅝	5⅝
Air Canada	9⅛	9⅛
Alberta Energy	13⅝	13⅝
Am Barrick Res	26⅝	26⅝
BCE	43⅝	43⅝
BCED	0.15	0.16
Bk Nova Scotia	17½	17⅝
BC Gas	15⅛	15⅛
BC Phone	19⅞	19
BP Canada	14	14
Bramalea	6⅝	6⅝
Brunswick	N.Q.	7⅛
CAE	7⅝	7⅛
Campeau	0.53	0.55
CIBC	29⅝	29⅝
Canadian Pacific	19⅝	19⅝
Can Packers	N.Q.	—
Can Tire A	25⅛	25⅛
Canadian Turbo	2.31	2.31
Cantor	26	25⅝
Cara	6⅛	6⅛
CCL Ind B	11⅛	11⅛
Cineplex	5	5⅛
Cominco	24	24⅛
Conwest Expl A	N.Q.	12⅝
Denison Mln B	N.Q.	0.32
Dickenson Mln A	N.Q.	—
Dofasco	22⅝	22⅝
Dylex A	4½	4½
Echo Bay Mines	10⅝	10⅝
Equity Silver A	1.11	1.11
FCA Intl	N.Q.	6⅛
Fed Ind A	7⅝	7⅝
Fletcher Chall A	18	18⅛
FPI	6½	6⅝
GoldCorp	3.65	3⅝
Gulf Cda Res	9	9⅛
Hees Intl	17⅛	17⅛
Hemlo Gld Mines	11⅛	11⅝
Hollinger	11⅛	11⅛
Horsham	11⅜	11⅛
Hudson's Bay	35⅜	35½
Imasco	28⅝	28⅝
Inco	41⅝	42
Interprov pipe	29⅝	29⅞
Jannock	15⅛	15½
Labatt	24⅞	24⅞
Loblaw Co	20½	20⅛
Mackenzie	6⅛	6
Magna Intl A	13⅝	13⅝
Maritime	19⅜	19⅛
Mark Res	7	7⅛
MacLean Hunter	10½	10⅛
Molson A	28⅞	29
Noma Ind A	7⅝	7⅝
Noranda	20	20
Noranda Forest	8½	8⅛
Norcen Energy	21⅝	21⅝
Nova Corp	7½	7½
Oshawa	25½	26⅛
Pagurin A	6	6
Placer Dome	15⅝	15⅝
Poco Petroleum	7⅝	7⅝
PWA Corp	7⅛	7½
Quebec Sturgeon	0.22	0.25
Rayrock	7½	7½
Renaissance	15⅛	15⅛
Rogers B	9⅝	9⅛
Rothmans	64⅜	63
Royal Bank Can	25⅛	25⅛
Royal TrustCo	9⅛	9⅛
Sceptre Res	3.10	3
Scott's Hosp	18⅛	18⅛
Seagram	122	121⅝
Sears Can	13	13
Shell Can	45	45
Sherritt Gordon	7⅝	7⅝
SHL Systemhse	6⅞	6⅝
Southam	16⅝	16⅝
Spar Aerospace	14⅛	14⅛
Stelco A	6⅛	6⅛
Teck B	22⅛	22½
Thomson News	14⅝	14⅝
Toronto Domn	18	18
Torstar B	25	25
Transalta Util	12⅝	12⅝
TransCda Pipe	16⅞	17⅛
Triton Finl A	18	N.Q.
Trimac	8⅛	8½
Trizec A	13⅝	13⅝
Unicorp A	N.Q.	0.85
TSE 300 Index : 3524.80		
Previous : 3523.19		
Zurich		
Adia Intl	886	900
Alusuisse	1100	1100
Leu Holdings	1660	1670
Brown Boveri	4830	4820
Ciba Geigy	2930	2950
CS Holding	1975	1990
Elektrow	2820	2790
Fischer	1430	1420
Interdiscount	3250	3230
Jacobs Suchard	8500	8500
Jelmoli	1425	1410
Landis Gyr	1080	1100
Moevenpick	4260	4290
Nestle	8660	8640
Oerlikon-B	450	440
Pargesa Hld	1270	1270
Roche Holding B	4930	4930
Safra Republic	91	89
Sandoz	2310	2300
Schindler	5250	5250
Sulzer	425	424
Surveillance	7710	7695
Swissair	850	855
SBC	329	330
Swiss Reinsur	538	544
Swiss Volksbank	1320	1325
Union Bank	3590	3610
Winterthur	3950	3940
Zurich Ins	2210	2210
SBS Index : 630.30		
Previous : 631.30		

U.S. FUTURES

Via Associated Press July 26

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
3.26	2.58½	Sep	2.86½	2.88½	2.84½	2.87	+.08¼
3.25	2.72½	Dec	2.99	3.02	2.98	3.01¼	+.01¾
3.78¼	2.79	Mar	3.04	3.08	3.03¾	3.08	+.02¼
3.31	2.80½	May	3.02	3.05	3.01	3.04½	+.03
3.11	2.79½	Jul	2.97½	3.01	2.97½	3.00¾	+.03¼
Est. Sales		Prev. Sales 11,786					
Prev. Day Open Int. 55,034 off 14							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Sep	2.86½	2.90	2.86½	2.89¾	+ .02
		Dec	2.95½	2.98½	2.94¾	2.98	+ .02¼
		Mar	2.99½	3.04	2.99¾	3.04	+ .03½
		May	2.94½	2.97½	2.94¾	2.97½	+ .02¼
		Jul	2.92	2.95	2.92	2.95	+ .02
Est.Sales		Prv.Sales		Prev.Day Open Int			Chg. unch
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.87½	2.18½	Sep	2.45	2.49¾	2.44½	2.49½	+.03¾
2.75	2.20	Dec	2.50¾	2.53¾	2.49¾	2.55½	+.04¼
2.75¼	2.28½	Mar	2.57¼	2.62½	2.57¼	2.62¼	+.03
2.79½	2.34¼	May	2.61½	2.66	2.61½	2.65¾	+.02¼
2.82	2.39½	Jul	2.64¾	2.68	2.64½	2.68	+.02
2.60½	2.36½	Sep	2.54	2.56	2.53¾	2.55	+.01
2.59¾	2.36½	Dec	2.50	2.51½	2.50	2.50¾	+.00½
Est. Sales		Prev. Sales 74,210					
Prev. Day Open Int.208,172 up 4,957							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.95	5.00¼	Aug	5.48	5.65	5.45	5.62½	+.13¼
6.54	5.13½	Sep	5.51	5.69¼	5.48	5.65¾	+.14¼
6.74	5.17	Nov	5.59	5.78	5.55¼	5.76	+.16¼
6.49½	5.27½	Jan	5.67½	5.85½	5.65	5.84½	+.15¼
6.40	5.38	Mar	5.76	5.96½	5.75	5.96¼	+.17¼
6.42½	5.47	May	5.85	6.03	5.83½	6.03	+.16
6.02	5.87	Jul	5.89	6.08	5.88	6.08	+.17½
		Aug				6.05½	+.17½
5.80	5.57	Sep				5.85½	+.13½
6.20¾	5.52	Nov	5.70½	5.85	5.70½	5.83½	+.13½
Est. Sales		Prev. Sales 50,951					
Prev. Day Open Int. 88,390 off 77							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
195.50	159.70	Aug	172.50	175.70	171.60	175.10	+2.50
193.50	160.00	Sep	171.50	174.70	170.70	173.80	+2.10
189.00	159.90	Oct	171.30	175.00	170.30	174.00	+2.30
191.50	160.00	Dec	171.20	175.20	170.60	174.20	+2.20
190.50	161.30	Jan	171.50	175.00	170.80	174.90	+2.40
1180.00	163.50	Mar	171.50	175.00	171.00	175.00	+2.50
191.00	164.50	May	171.50	176.00	171.50	174.70	+2.70
184.50	166.00	Jul	172.00	176.00	171.50	175.50	+2.80
Est. Sales		Prev. Sales 19,751					
Prev. Day Open Int. 50,487 up 636							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
25.50	18.18	Aug	19.20	20.25	19.15	20.25	+1.00
25.10	18.27	Sep	19.38	20.41	19.35	20.41	+1.00
24.90	18.50	Oct	19.55	20.50	19.48	20.59	+1.00
24.05	18.81	Dec	19.93	20.97	19.83	20.97	+1.00
24.15	19.80	Jan	20.05	20.85	20.05	21.06	+1.00
23.50	19.32	Mar	20.40	21.37	20.37	21.37	+1.00
22.62	19.62	May	20.92	21.45	20.88	21.45	+1.00
22.50	19.90	Jul	21.00	21.77	21.00	21.77	+1.00
22.10	20.05	Aug				21.82	+1.00
Est. Sales		Prev. Sales 23,923					
Prev. Day Open Int. 76,552 off 30							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
75.80	70.35	Aug	72.80	72.80	71.82	71.97	—.98
76.90	70.70	Oct	75.37	75.37	74.35	74.60	—.97
77.80	71.75	Dec	76.55	76.55	76.05	76.20	—.62
76.70	72.80	Feb	75.90	75.90	75.40	75.52	—.55
77.00	74.80	Apr	76.15	76.15	75.75	75.82	—.43
75.15	72.40	Jun	73.95	74.05	73.80	74.05	—.30
72.50	72.00	Aug				72.25	
Est. Sales		Prev. Sales 16,361					
Prev. Day Open Int. 68,432 off 410							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
90.15	80.20	Aug	89.40	89.42	89.05	89.17	—.45
88.95	79.75	Sep	87.90	87.90	87.37	87.45	—.42
88.30	80.20	Oct	87.05	87.05	86.55	86.60	—.50
88.10	81.20	Nov	87.00	87.00	86.50	86.60	—.30
87.80	84.80	Jan	86.30	86.30	86.05	86.22	—.23
87.10	84.75	Mar	85.40	85.40	85.30	85.35	—.35
87.00	84.50	Apr	85.80	85.95	84.95	85.05	—.25
84.50	83.72	May	84.00	84.00	83.90	84.00	—.30
Est. Sales 2,194		Prev. Sales 1,439					
Prev. Day Open Int. 14,914 off 147							
HOGS (CME) 40,000 lbs.- cents per lb.							
55.50	46.90	Aug	52.25	52.77	52.15	52.67	+.22
49.55	42.50	Oct	44.00	44.45	43.75	44.30	+.20
46.92	42.85	Dec	44.72	44.35	43.75	44.22	+.10
48.25	42.85	Feb	44.17	44.30	43.80	44.25	+.03
44.62	41.50	Apr	42.25	42.45	42.25	42.35	—.10
50.60	45.70	Jun	47.00	47.00	46.70	46.72	—.05
46.87	45.80	Jul				46.60	—.15
Est. Sales 5,027		Prev. Sales 6,324					
Prev. Day Open Int. 14,988 up 561							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
70.05	40.30	Aug	44.35	44.35	43.40	43.85	—.37
63.00	45.10	Feb	48.70	49.00	48.12	48.32	—.29
61.00	44.75	Mar	48.35	48.45	47.80	48.15	—.05
58.20	46.20	May				48.60	—.10
57.00	47.50	Jul				48.50	
47.67	45.67	Aug				45.50	
Est. Sales 1,874		Prev. Sales 1,780					
Prev. Day Open Int. 6,559 off 231							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
113.50	80.70	Sep	81.20	81.75	79.60	81.70	+.85
116.00	84.20	Dec	84.50	85.00	83.05	85.00	+.65
107.50	87.40	Mar	87.50	88.10	86.25	88.10	+.60
108.00	89.70	May	88.50	89.85	88.50	90.65	+.70
108.00	92.40	Jul	91.40	92.15	91.40	93.25	+.85
108.00	96.50	Sep				95.40	+.60
103.25	100.50	Dec				98.25	+1.25
Est. Sales 6,574		Prev. Sales 7,435					
Prev. Day Open Int. 43,121 up 1,095							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
14.40	7.45	Oct	9.16	9.35	9.17	9.33	+.24
10.14	7.54	Mar	8.70	8.80	8.69	8.80	+.16
9.77	7.65	May	8.68	8.85	8.68	8.79	+.10
9.05	7.85	Jul	8.70	8.80	8.70	8.80	+.11
9.00	8.05	Oct	8.75	8.80	8.75	8.79	+.06
Est. Sales 9,749		Prev. Sales 5,740					
Prev. Day Open Int.107,116 off 580							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1515	893	Sep	970	1040	968	1028	+75
1535	953	Dec	1029	1100	1008	1084	+73
1538	997	Mar	1075	1147	1075	1132	+72
1385	1026	May	1110	1167	1108	1164	+71
1385	1056	Jul	1178	1200	1178	1193	+72
1220	1080	Sep	1208	1228	1208	1222	+79
1199	1119	Dec	1212	1272	1212	1272	+88
		Mar				1318	+88
1282	1270	May				1344	+88
Est. Sales 11,510		Prev. Sales 2,690					
Prev. Day Open Int. 53,563 off 341							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
127.00	104.00	Sep	118.30	118.70	118.00	118.20	+.40
121.00	111.00	Nov	117.40	117.40	117.10	117.10	+.45
120.50	113.40	Jan	116.60	116.90	116.10	116.10	+.40
120.80	113.60	Mar	117.00	117.25	117.00	117.00	+.85
120.00	115.00	May				117.40	+1.00
116.00	116.00	Jul				117.90	+1.10
Est. Sales		Prev. Sales 701					
Prev. Day Open Int. 5,745 up 56							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
113.50	96.05	Jul	99.70	100.80	99.70	100.55	+1.30
109.00	96.10	Aug	100.00	100.75	100.00	100.70	+1.10
110.50	95.40	Sep	100.30	101.30	100.30	101.15	+1.30
106.90	95.30	Oct	100.00	100.40	100.00	100.60	+1.00
105.00	95.10	Nov	100.20	100.20	100.20	100.35	+1.00
108.00	94.50	Dec	99.25	100.30	99.25	100.15	+1.00
104.50	95.00	Jan				99.70	+.90
105.50	95.00	Feb				99.20	+.75
106.80	93.90	Mar	98.50	98.80	98.30	98.75	+.65
99.10	93.50	Apr				98.25	+.60
106.20	94.00	May	97.10	97.50	97.10	97.75	+.55
94.50	95.10	Jun				97.40	+.60
103.80	92.80	Jul	97.00	97.00	97.00	96.85	+.45
103.45	92.80	Sep				96.05	+.35
100.50	91.60	Dec	95.50	95.50	95.50	95.45	+.25
95.45	93.30	Jan	2.50	2.50	2.50	95.20	+.25
96.65	92.80	Mar				95.20	+.25
		May				94.65	+.25
Est. Sales 7,000		Prev. Sales 3,874					
Prev. Day Open Int. 32,990 up 411							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
667.5	360.1	Jul	403.5	409.0	403.5	407.5	+2.9
446.0	435.5	Aug	405.0	405.0	405.0	407.5	+2.8
654.0	367.5	Sep	407.5	410.5	404.5	410.0	+2.5
623.5	374.0	Dec	414.5	417.0	411.5	414.8	+2.4
596.0	402.0	Jan				418.3	+2.4
613.0	382.8	Mar	423.0	425.0	419.5	424.5	+2.4
589.0	385.0	May	426.5	429.5	425.0	429.7	+2.4
557.0	395.0	Jul				435.0	+2.4
483.8	412.0	Sep	438.0	438.0	438.0	440.5	+2.4
507.0	408.0	Dec	446.5	450.0	445.0	449.3	+2.4
505.0	440.0	Jan				452.4	+2.4
513.0	449.2	Mar				458.3	+2.4
473.0	465.0	May	462.0	462.0	462.0	464.6	+2.4
Est. Sales 17,000		Prev. Sales 25,720					
Prev. Day Open Int. 94,832 off 1,541							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
528.50	365.00	Jul	374.50	363.70	363.00	365.70	+.40
513.00	367.50	Oct	367.00	369.00	364.80	368.70	+.40
451.50	372.00	Jan	371.00	372.20	369.00	372.90	+.40
438.50	378.00	Apr	375.00	375.50	374.00	376.90	+.40
427.50	383.50	Jul	378.00	378.00	376.50	380.80	+.40
404.00	404.00	Oct				387.90	+.40
Est. Sales		Prev. Sales 2,388					
Prev. Day Open Int. 19,020 up 3							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
119.40	80.75	Sep	92.00	92.50	90.00	91.60	—2.10
114.50	82.50	Dec	92.75	93.25	91.00	92.70	—2.10
135.75	88.75	Mar	93.45	93.50	92.00	93.65	—2.10
101.75	98.00	Jun	95.00	95.00	94.50	95.15	—2.10
Est. Sales		Prev. Sales 173					
Prev. Day Open Int. 4,447 off 20							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
371.00	357.00	Jul				366.20	+1.70
468.00	333.90	Aug	364.80	366.50	363.90	366.30	+1.60
375.00	366.50	Sep				368.10	+1.70
476.00	359.30	Oct	367.80	370.10	367.30	369.90	+1.80
482.50	362.00	Dec	371.20	373.80	370.70	373.50	+2.00
456.50	366.00	Feb	375.20	375.40	375.00	377.10	+2.00
446.00	369.70	Apr	378.00	380.80	377.00	380.50	+2.00
467.00	375.80	Jun				384.00	+2.00
426.50	377.50	Aug				387.60	+2.00
418.80	389.50	Oct				391.20	+2.00
406.80	383.50	Dec				395.10	+2.00
404.20	404.20	Feb				399.20	+2.00
410.00	404.50	Apr				403.30	+2.00
411.80	409.50	Jun				407.60	+2.00
Est. Sales 40,000		Prev. Sales 27,021					
Prev. Day Open Int. 95,319 up 655							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
94.55	91.60	Sep	94.45	94.48	94.45	94.46	+.01
94.18	92.24	Dec	94.16	94.19	94.15	94.18	+.04
94.10	93.42	Mar	94.14	94.16	94.14	94.15	+.05
93.72	93.15	Jun				93.75	+.06
		Sep				93.24	
Est. Sales		Prev. Sales 7,090					
Prev. Day Open Int.							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100.230	98.275	Sep	100.075	100.150	100.075	100.100	+.005
99.220	98.190	Dec	99.260	99.260	99.220	99.230	+.005
Est. Sales		Prev. Sales 7,968					
Prev. Day Open Int. 72,707 up 851							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
100-1	96-1	Sep	98-6	98-15	98-4	98-8	
98-12	95-15	Dec	97-23	97-25	97-17	97-19	
97-5	95-8	Mar				97-2	
Est. Sales		Prev. Sales 19,870					
Prev. Day Open Int. 83,898 up 2,501							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
99-5	85-29	Sep	94-15	94-27	94-10	94-16	
98-20	85-19	Dec	93-22	94-3	93-23	93-26	+2
98-13	85-14	Mar	93-3	93-13	92-30	93-4	
97-19	85-3	Jun	92-26	92-26	92-14	92-15	—1
95-8	87-14	Sep	92-5	92-6	91-29	91-30	—1
94-11	85-6	Dec	91-20	91-23	91-13	91-13	—2
94-26	90-16	Mar				91	
		Jun				90-18	
		Sep				90-5	
Est. Sales		Prev. Sales 278,810					
Prev. Day Open Int.286,961 off 8,220							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
92-11	84-7	Sep	92-4	92-12	92-2	92-2	—4
91-11	88-16	Dec	91-2	91-13	91-2	91-4	—4
89-24	88	Mar				90-11	—4
Est. Sales		Prev. Sales 1,949					
Prev. Day Open Int. 6,202 off 28							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
93.83	90.04	Sep	93.81	93.86	93.79	93.83	+.03
93.35	90.84	Dec	93.31	93.37	93.31	93.34	+.04
93.30	90.09	Mar	93.29	93.36	93.28	93.30	+.04
92.98	90.35	Jun	92.89	92.94	92.86	92.88	+.02
92.45	90.32	Sep	92.42	92.47	92.41	92.41	
92.10	90.24	Dec	91.99	92.01	91.96	91.96	—.01
92.03	90.28	Mar	92.01	92.03	91.96	91.96	—.02
91.81	90.27	Jun	91.80	91.82	91.76	91.77	—.01
91.66	90.27	Sep	91.60	91.62	91.57	91.57	—.01
91.46	90.22	Dec	91.31	91.33	91.30	91.30	
91.55	90.24	Mar	91.34	91.36	91.33	91.33	+.01
91.57	90.40	Jun	91.24	91.27	91.24	91.24	+.01
91.52	90.34	Sep	91.16	91.18	91.15	91.16	+.01
91.44	90.71	Dec	91.08	91.02	90.99	91.00	+.01
91.09	90.75	Mar	91.03	91.05	91.02	91.03	+.01
90.98	90.71	Jun	90.98	90.99	90.98	90.98	+.01
Est. Sales		Prev. Sales					
Prev. Day Open Int.							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.9340	1.5884	Sep	1.6720	1.6834	1.6716	1.6718	[illegible]
1.7900	1.5670	Dec	1.6536	1.6646	1.6530	1.6534	[illegible]
1.6490	1.5670	Mar	1.6460	1.6460	1.6430	1.6392	[illegible]
Est. Sales		Prev. Sales 17,118					
Prev. Day Open Int. 21,832 off 1,198							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8718	.7985	Sep	.8680	.8681	.8662	.8674	[illegible]
.8667	.8175	Dec	.8630	.8625	.8615	.8622	[illegible]
.8630	.8268	Mar				.8579	[illegible]
.8585	.8330	Jun				.8535	[illegible]
.8480	.8420	Sep				.8493	[illegible]
Est. Sales		Prev. Sales 6,802					
Prev. Day Open Int. 24,490 off 1,225							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6810	.5481	Sep	.5704	.5730	.5702	.5712	[illegible]
.6770	.5345	Dec	.5660	.5701	.5658	.5666	[illegible]
.5840	.5383	Mar	.5657	.5657	.5644	.5627	[illegible]
.5640	.5585	Jun				.5598	[illegible]
Est. Sales		Prev. Sales 43,444					
Prev. Day Open Int. 65,932 off 432							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.007870	.007003	Sep	.007210	.007246	.007210	.007239	[illegible]
.007539	.006977	Dec	.007192	.007215	.007192	.007213	[illegible]
.007302	.007000	Mar	.007200	.007200	.007200	.007223	[illegible]
.007220	.007150	Jun				.007234	[illegible]
Est. Sales		Prev. Sales 48,242					
Prev. Day Open Int. 52,860 off 4,584							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.8055	.6254	Sep	.6544	.6602	.6544	.6555	[illegible]
.8090	.6240	Dec	.6520	.6572	.6515	.6528	[illegible]
.6995	.6267	Mar				.6572	[illegible]
Est. Sales		Prev. Sales 34,456					
Prev. Day Open Int.							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
83.30	66.77	Oct	69.00	69.55	68.60	69.15	[illegible]
76.35	63.75	Dec	68.80	69.69	68.62	69.38	[illegible]
77.15	64.65	Mar	70.00	71.00	69.91	70.70	[illegible]
92.25	65.10	May	70.87	71.70	70.80	71.60	[illegible]
77.70	64.50	Jul	71.60	72.10	71.60	72.15	[illegible]
70.60	68.00	Oct				68.95	[illegible]
69.00	67.20	Dec	67.90	67.95	67.85	68.00	[illegible]
Est. Sales 3,500		Prev. Sales 3,983					
Prev. Day Open Int. 40,838 off 20							
HEATING OIL (NYME) 42,000 gal- cents per gal							
85.07	49.00	Aug	58.40	59.15	58.55	58.85	[illegible]
84.28	50.25	Sep	59.40	60.20	59.40	59.95	[illegible]
85.00	51.30	Oct	60.80	61.15	60.70	61.00	[illegible]
78.00	52.30	Nov	61.75	62.20	61.75	61.85	[illegible]
82.62	53.30	Dec	62.75	63.05	62.60	62.70	[illegible]
68.50	53.40	Jan	62.80	63.10	62.80	63.10	[illegible]
62.30	52.[illegible]	Feb	61.40	61.85	61.40	61.80	[illegible]
59.75	51.40	Mar	59.20	59.35	59.10	59.35	[illegible]
57.50	50.00	Apr	57.00	57.10	56.90	57.10	[illegible]
55.75	48.25	May	55.30	55.30	55.30	55.30	[illegible]
55.20	48.00	Jun	54.25	54.25	54.25	54.25	[illegible]
56.00	51.60	Jul	54.20	54.20	54.20	54.20	[illegible]
Est. Sales		Prev. Sales 28,563					
Prev. Day Open Int.119,882 off 767							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
28.72	14.90	Sep	21.56	21.64	21.47	21.47	[illegible]
28.40	17.04	Oct	21.42	21.50	21.35	21.36	[illegible]
28.10	17.20	Nov	21.29	21.35	21.26	21.29	[illegible]
27.70	17.10	Dec	21.15	21.22	21.13	21.15	[illegible]
27.68	17.25	Jan	21.00	21.05	20.94	20.93	[illegible]
27.80	17.50	Feb	20.82	20.90	20.80	20.90	[illegible]
26.75	17.25	Mar	20.67	20.69	20.65	20.69	[illegible]
26.50	17.50	Apr	20.59	20.60	20.59	20.60	[illegible]
24.60	17.30	May	20.51	20.51	20.45	20.45	[illegible]
24.50	17.70	Jun	20.46	20.46	20.42	20.44	[illegible]
22.11	17.90	Jul	20.42	20.42	20.42	20.42	[illegible]
21.33	17.75	Aug	20.45	20.45	20.42	20.44	[illegible]
24.00	17.78	Sep	20.47	20.47	20.47	20.47	[illegible]
21.35	18.85	Oct	20.50	20.50	20.50	20.50	[illegible]
Est. Sales		Prev. Sales 66,228					
Prev. Day Open Int.270,767 up 2,758							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
90.90	53.50	Aug	66.30	66.70	65.70	65.80	[illegible]
87.00	51.60	Sep	63.90	64.10	62.40	62.80	[illegible]
86.75	49.75	Oct	61.10	61.39	60.80	60.80	[illegible]
64.75	48.60	Nov	57.60	59.63	59.40	59.40	
75.25	47.75	Dec	58.20	58.20	58.20	58.20	[illegible]
58.65	47.00	Jan	57.60	57.80	57.80	57.80	[illegible]
58.75	50.70	Feb	57.55	58.00	57.55	57.65	[illegible]
63.40	57.30	Apr	62.50	62.50	62.25	62.25	[illegible]
60.50	58.60	Jul	60.15	60.15	60.15	60.15	[illegible]
Est. Sales		Prev. Sales 20,063					
Prev. Day Open Int. 81,179 up 4,895							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
396.05	304.00	Sep	382.00	383.25	380.80	381.95	[illegible]
399.05	321.75	Dec	384.85	385.50	384.40	384.80	[illegible]
401.05	380.00	Mar	387.60	388.50	387.60	388.05	[illegible]
405.00	393.00	Jun	392.50	392.50	392.50	389.00	[illegible]
Est. Sales		Prev. Sales 36,141					
Prev. Day Open Int.144,851 up 49,301							
NYSE COMP. INDEX (NYFE) points and cents							
216.40	173.10	Sep	209.30	209.95	208.70	209.25	[illegible]
217.60	175.50	Dec	210.50	211.00	210.20	210.70	[illegible]
217.90	207.20	Mar	212.00	212.00	212.00	212.15	[illegible]
216.00	208.90	Jun				213.60	[illegible]
Est. Sales		Prev. Sales 4,234					
Prev. Day Open Int. 5,732							

Commodity Indexes

	Close	Previous
Moody's	1,046.10	1,051.60
Reuters	1,701.90	1,697.50
Dow Jones Futures	123.59	122.82
Comm. Research	211.81	209.11

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

NASDAQ

Friday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the most traded securities in terms of dollar value. It is updated twice a year.

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NASDAQ

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NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
[illegible]										

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
[illegible]										

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Chge
[illegible]										

EUROPE

Lloyds Profit Drop Is Less Than Feared

Compiled by Our Staff From Dispatches

LONDON — Lloyds Bank PLC announced on Friday a 19 percent decline in first-half pretax profit, which was smaller than expected, and said it would boost its dividend by 8 percent because of an improvement in its capital position.

Lloyds also said it had made a £15 million ($25 million) provision for possible contributions to Britain's depleted Deposit Protection Fund, which repays depositors when banks fail.

The recent shutdown of the Bank of Credit & Commerce International in Britain has made it likely that thousands of depositors will make deposit insurance claims. The fund has been depleted by £24 million in payouts to depositors in the failed British & Commonwealth Holdings PLC, along with several smaller banks, over the past year.

Lloyds, one of Britain's big four retail banks, said pretax profit was £331 million in the first six months, down from £408 million in first half of 1990.

It raised its interim dividend to 5.4 pence a share from 5 pence.

The bank's chairman, Sir Jeremy Morse, said profit had recovered from the second half of 1990, mainly because of firm cost control and lower provisions for bad and doubtful debts.

The figures exceeded most forecasts, which had predicted a profit decline of some 40 percent, and Lloyds shares rose on the London Stock Exchange. They closed at 360 pence, up 21 pence.

The provision for bad and doubtful debts for the first half rose to £425 million from £303 million in the same period of last year. But they showed an improvement when compared with a provision of £475 million in the second half of 1990, when pretax profit amounted to £183 million.

Provisions for bad debts in recession-hit Britain doubled to £396 million from £190 million a year earlier, but were down from £542 million in the second half of last year. *(Reuters, AFP)*

Commerzbank Profit Up 33% In First Half

Reuters

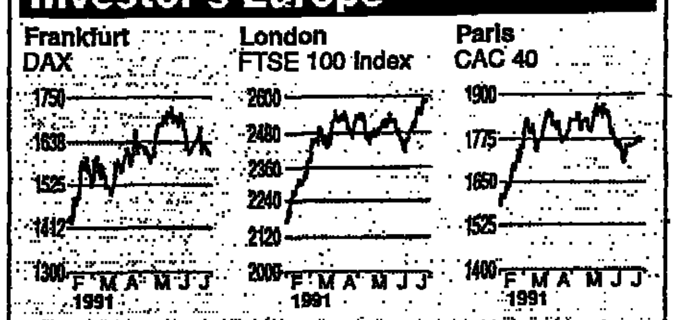
FRANKFURT — Commerzbank AG said Friday its group partial operating profit jumped 33.1 percent to 813 million Deutsche marks ($465 million) in the first half from 611 million DM a year earlier, with further good results expected in the full year.

Partial operating profit at the parent bank rose 27.6 percent, to 554.2 million DM from 434.2 million, the bank said.

Partial operating profit excludes income from trading on the bank's own account. Most German banks do not reveal full details of such income.

The bank said full operating profit rose 38.1 percent for the group and 31.3 percent at the parent bank, but did not give figures. "We are confident that we will achieve another good result for the year as a whole," it said.

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	93.60	93.80	-0.21
Brussels	Stock Index	5,673.27	5,681.13	-0.14
Frankfurt	DAX	1,605.64	1,615.38	-0.60
Frankfurt	FAZ	672.77	672.46	+0.05
Helsinki	HEX	1,012.70	1,001.70	+1.10
London	Financial Times 30	2,002.80	1,996.60	+0.31
London	FTSE 100	2,589.30	2,579.60	+0.38
Madrid	General Index	268.19	268.03	+0.06
Milan	MIB	1,113.00	1,111.00	+0.18
Paris	CAC 40	1,767.66	1,780.01	-0.69
Stockholm	Affarsvariden	1,093.60	1,097.20	-0.33
Vienna	Stock Index	529.38	531.83	-0.46
Zurich	SBS	630.30	631.30	-0.16

Sources: Reuters, AFP

International Herald Tribune

EC Adopts Telecom Code

International Herald Tribune

BRUSSELS — The European Community adopted new guidelines Friday to codify EC competition law in the rapidly changing telecommunications sector.

"The main purpose was to clarify the matter for people who were not really aware of it, and to launch a message about the determination of the Commission to implement the competition rules very firmly," said an official of the EC Commission.

The rules do not forge new policy but rather outline the Commission's approach in applying the Community's founding Treaty of Rome and rulings of the European Court of Justice in telecommunications.

The guidelines spell out when agreements between telecommunications organizations regarding leased circuits could violate EC law, and also provide examples of when public telecommunications operators might abuse their dominant positions.

GERMANY: *Talk of a Rate Rise*

(Continued from first finance page)

ahead of last spring's round of wage talks.

Many economists believe that inflation probably has peaked this month and may dip back in the autumn before rising again at the end of the year.

Some predict that inflation may then climb in early 1992 to a level even higher than this month's rate of 4.5 percent.

"New wage rounds in manufacturing industries could add to inflation early next year and the figures also will be compared on a year-on-year basis with early 1991 figures when Germany benefited from a low dollar and low oil prices," said Jürgen Pfister, an economist with Commerzbank.

In spite of the alarming news on inflation, money supply growth seems to be better under control.

The Bundesbank announced Friday that the M-3 money supply, its standard barometer, had grown by 3.4 percent in June, down from 3.5 percent in May. The rate appears to be safely toward the bottom of the growth-rate target of 3 to 5 percent that the Bundesbank has set.

At the same time, economists warned that the figures may be unduly encouraging because Eastern Germans have shifted so many funds to long-term savings vehicles, which are not included in M-3.

"This cuts growth in the overall German money supply figures and may cause people to underestimate the actual growth of the money supply in Western Germany," said Mr. Pfister of Commerzbank.

Germans See Harm in Papua Mine

Reuters

PORT MORESBY, Papua New Guinea — The huge Ok Tedi gold and copper mine in the highlands of Papua New Guinea is destroying the South Pacific nation's environment and should be closed, a German parliamentary delegation said on Friday.

The German government owns 5 percent of Ok Tedi Mining Ltd., and the Germany companies Degussa AG and Metallgesellschaft each hold 7.5 percent.

Degussa shares fell 4.80 Deutsche marks ($2.75) Friday to 338.2 DM, and Metallgesellschaft fell 7.5 DM to 480 DM.

Don't miss the upcoming Advertising Section on

KUWAIT

August 2, 1991 in the IHT

COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

United States

Amex

2nd Quar.	1991	1990
Revenue	968.80	984.70
Net Inc.	5.00	56.90
Per Share	0.06	0.65
1st Half	1991	1990
Revenue	1,900.	1,910.
Net Inc.	37.00	104.90
Per Share	0.42	1.22

American General

2nd Quar.	1991	1990
Revenue	1,680.	1,690.
Net Inc.	126.40	198.00
Per Share	1.18	1.65
1st Half	1991	1990
Revenue	3,200.	3,260.
Net Inc.	245.10	305.10
Per Share	2.11	2.55

AMP

2nd Quar.	1991	1990
Revenue	775.70	751.80
Net Inc.	64.70	68.30
Per Share	0.61	0.64
1st Half	1991	1990
Revenue	1,570.	1,520.
Net Inc.	134.70	148.10
Per Share	1.27	1.39

Armco

2nd Quar.	1991	1990
Revenue	388.70	457.20
Net Loss	28.50	n.a.
1st Half	1991	1990
Revenue	799.20	903.10
Net Loss	68.10	72.20

Coastal

2nd Quar.	1991	1990
Revenue	2,130.	1,870.
Net Inc.	26.20	22.10
Per Share	0.25	0.21

Delta Air Lines

4th Quar.	1991	1990
Revenue	2,020.	2,192.
Net Inc.	19.20	74.10
Per Share	0.30	1.47
Year	1991	1990
Revenue	9,170.	8,580.
Net Inc.	(a)324.4	302.80
Per Share	—	5.28

a: loss.

Digital Equipment

4th Quar.	1991	1990
Revenue	3,940.	3,370.
Net Loss	871.20	254.70
Year	1991	1990
Revenue	13,910.	12,940.
Net Inc.	(a)617.4	74.40
Per Share	—	0.59

a: loss. 1991 nets include charge of $1.1 billion. 1991 quarter net excludes charge of $1.10 dollars per share.

Donnelley (R.R.)

2nd Quar.	1991	1990
Revenue	927.90	759.80
Net Inc.	43.50	51.40
Per Share	0.56	0.66
1st Half	1991	1990
Revenue	1,800.	1,480.
Net Inc.	73.50	94.90
Per Share	0.95	1.22

EG&G

2nd Quar.	1991	1990
Revenue	665.70	612.20
Net Inc.	19.50	19.90
Per Share	0.70	0.69
1st Half	1991	1990
Revenue	1,300.	1,170.
Net Inc.	35.90	34.50
Per Share	1.28	1.20

Ford Motor

2nd Quar.	1991	1990
Revenue	23,850.	24,830.
Net Inc.	(a)323.5	770.70
Per Share	—	1.67

a: loss.

General Motors

2nd Quar.	1991	1990
Revenue	31,330.	33,840.
Net Inc.	(a)784.5	900.10
Per Share	—	1.32
1st Half	1991	1990
Revenue	60,520.	64,060.
Net Inc.	(a)1,160	1,160.
Per Share	—	2.34

a: loss.

Goodyear

2nd Quar.	1991	1990
Revenue	2,800.	2,800.
Net Inc.	22.50	(a)19.40
Per Share	0.38	—
1st Half	1991	1990
Revenue	5,300.	5,400.
Net Inc.	(a)67.60	11.50
Per Share	—	0.20

a: loss. 1990 results include gain of $400,000 in quarter and $5 million in six months.

Hershey Foods

2nd Quar.	1991	1990
Revenue	383.20	535.90
Oper Net	31.90	30.50
Oper Share	0.35	0.34
1st Half	1991	1990
Revenue	1,270.	1,220.
Oper Net	80.50	77.60
Oper Share	0.89	0.86

1990 nets exclude gain of $40.5 million.

James River Corp.

2nd Quar.	1991	1990
Revenue	1,170.	1,440.
Net Inc.	22.70	51.60
Per Share	0.20	0.56
1st Half	1991	1990
Revenue	2,340.	2,880.
Net Inc.	62.10	101.50
Per Share	0.61	1.18

Per share results after preferred dividends. 1991 nets include charge of $12 million vs. gain of $31.6 million.

Kerr-McGee

2nd Quar.	1991	1990
Revenue	784.20	821.90
Net Inc.	10.30	30.10
Per Share	0.22	0.60
1st Half	1991	1990
Revenue	1,570.	1,610.
Net Inc.	40.00	57.20
Per Share	0.83	1.14

1991 quarter net includes charge of $14 million.

Manville

2nd Quar.	1991	1990
Revenue	519.10	529.70
Net Inc.	8.17	52.60
Per Share	0.03	0.41
1st Half	1991	1990
Revenue	987.10	1,020.
Net Inc.	43.28	77.90
Per Share	0.29	0.58

1991 nets include charges of $2.3 million in quarter and $18.1 million in six months.

McDonnell Douglas

2nd Quar.	1991	1990
Revenue	5,040.	4,120.
Net Inc.	77.00	57.00
Per Share	2.01	1.49
1st Half	1991	1990
Revenue	9,370.	7,840.
Net Inc.	135.00	59.00
Per Share	3.51	1.54

1990 nets include gains of $18 million in quarter and $20 million in six months.

Stone Container

2nd Quar.	1991	1990
Revenue	1,330.	1,430.
Net Inc.	(a)10.30	29.50
Per Share	—	0.49
1st Half	1991	1990
Revenue	2,460.	2,880.
Net Inc.	1.10	66.20
Per Share	0.02	1.10

a: loss. 1991 quarter results include gain of $17 million and charge of $6 million.

Trinova

2nd Quar.	1991	1990
Revenue	432.90	500.80
Net Inc.	3.80	17.80
Per Share	0.13	0.56
1st Half	1991	1990
Revenue	867.70	986.40
Net Inc.	5.70	32.30
Per Share	0.20	1.02

1991 six months results include gain of $1.4 million. 1990 results include gain of $2.8 million.

UAL

2nd Quar.	1991	1990
Revenue	2,950.	2,740.
Net Inc.	52.70	148.30
Per Share	2.23	6.81
1st Half	1991	1990
Revenue	5,520.	5,240.
Net Inc.	(a)104.3	111.90
Per Share	—	5.14

a: loss.

REQUEST FOR COMMENT

The Triborough Bridge and Tunnel Authority, Port Authority of New York and New Jersey, New Jersey Turnpike Authority, New York State Thruway Authority, New Jersey Highway Authority, New York State Bridge Authority and the Pennsylvania Turnpike Commission (hereinafter referred to as "the Agencies") are seeking comment from the marketplace to a draft Technical Specification for electronic toll collection equipment. The intent of the draft Technical Specification is to define the common needs and requirements of each of the aforementioned Agencies as they relate to compatible toll tags, readers, and their interfaces with existing and future toll collection equipment. Prospective Proposers interested in obtaining a copy of the draft Technical Specification should direct their inquiries to Carlos R. Nicot, ETTM Procurement Coordinator at (212) 360-3198.

Technical comment to the draft Technical Specification should be submitted in writing no later than August 23, 1991, 5 p.m. Submittal of pricing information and/or contract terms and conditions is not desired nor will they be considered at this time by the ETTM Interagency Policy Committee.

All written responses are to be submitted to the address set forth below:

Carlos R. Nicot
ETTM Procurement Coordinator
Triborough Bridge and Tunnel Authority
Robert Moses Building - Rm. 104
Randall's Island
New York, New York 10035

Written responses submitted after the specified deadline will not be considered.

The Agencies shall not be held liable for any pre-contract activity and/or costs incurred by respondents to this Request For Comment.

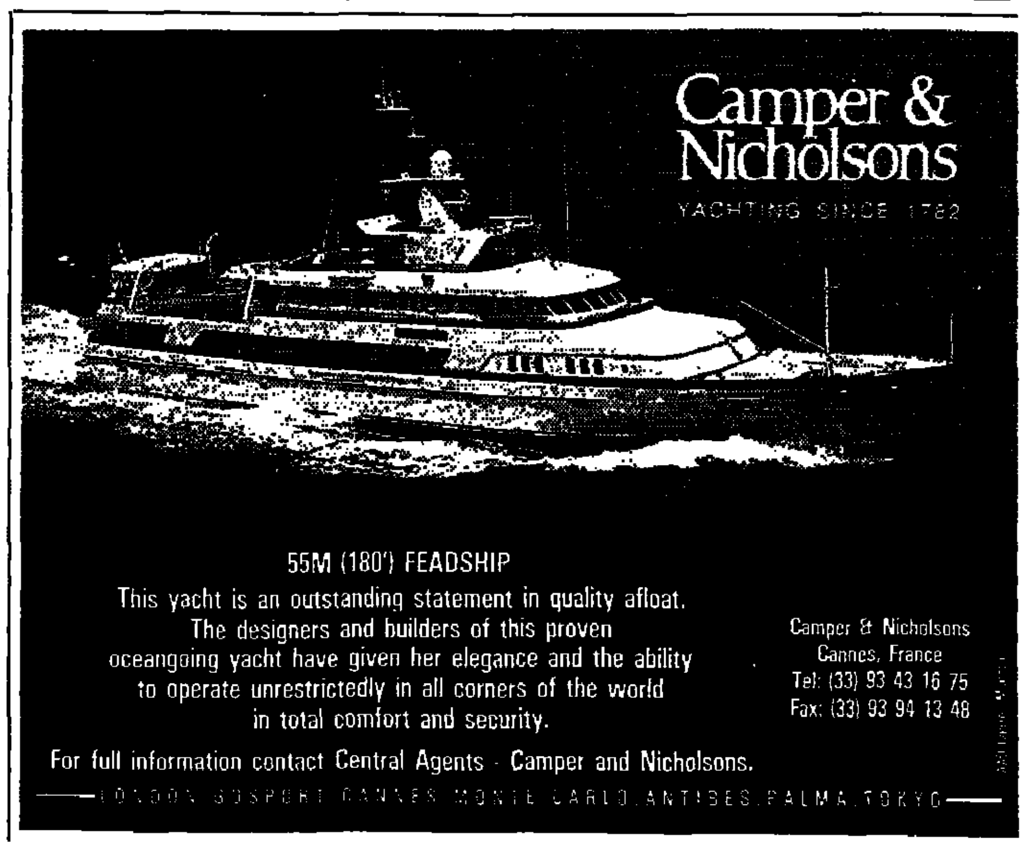
Petrogal Sell-Off To Start Soon

Reuters

LISBON — The first stage in the privatization of Portugal's state oil refiner, Petroleos de Portugal SA, or Petrogal, will probably begin before parliamentary elections in October, the secretary of state for energy said on Friday.

Nuno Ribeiro da Silva said a 25 percent slice of the company would be sold initially and buyers of the stake would be committed to purchase a further 26 percent of Petrogal's capital in 1994. Angola's state oil company, Sonangol, and Finland's Neste Oy have both expressed interest but the government hopes that Portuguese investors will also participate.

Mr. Ribeiro da Silva said that in the first phase of privatization, Petrogal would sell 24 million shares. These would consist of 19 million new shares with a nominal value of 1,000 escudos ($6.68) each and five million shares from Petrogal's current capital base of 77 million.

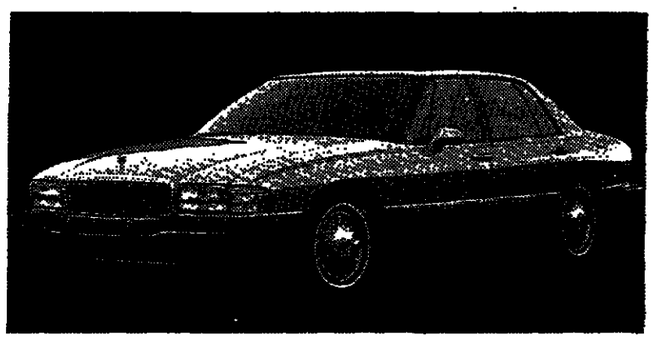


NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

Luxury has been redefined.
The new Buick Park Avenue.



You'll be impressed.

GM CHEVROLET PONTIAC Oldsmobile BUICK Cadillac

General Motors North American Vehicles at GM Service GmbH
Postfach 1362, D-6090 Rüsselsheim, Germany.

(Continued on next page)

هكذامن الكحل

AMEX

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

ASIA / PACIFIC

Japan Output Falls Despite Expansion

Agence France-Presse

TOKYO — Japan's industrial production plunged 2.7 percent in June, the sharpest decline in more than two years, but strong consumer and capital spending should enable the current economic expansion to set a new record for longevity, the government said Friday.

The government also reported that consumer prices fell 0.4 percent in June from May but were up 3.6 percent from a year earlier, while retail sales in June were up 8.3 percent from June 1990.

The bigger-than-expected decline in industrial production reversed a 2 percent increase in May and left output just 1.3 percent higher than a year earlier, the Ministry of International Trade and Industry said. Output now has fallen for two consecutive quarters — down 0.6 percent in the April-June quarter following a 0.1 percent decline in January-March.

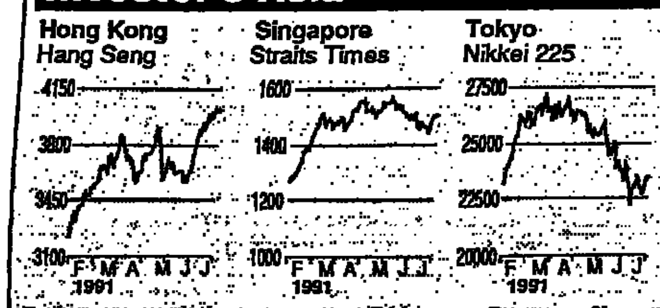
"Industrial production has been weakening in recent months and we must carefully monitor the trend," the ministry said, adding that output was expected to rebound in July before declining slightly in August.

The decline reflected a renewed slide in producer shipments and a continued build-up in inventories. The 2.7 percent plunge was the sharpest since 1986, except for a 3.1 percent drop in April 1989 that followed the introduction of a consumption tax.

Meanwhile, the Economic Planning Agency announced that Japan's economy entered its 56th consecutive month of expansion in July and was certain to break the postwar record of 57 months, which was set from November 1965 to July 1970.

Consumer spending in July was fuelled by strong sales at large department stores and supermarkets.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	4,031.29	4,012.42	
Singapore	Straits Times	1,504.87	1,500.82	
Sydney	All Ordinaries	1,563.10	1,559.00	
Tokyo	Nikkei 225	23,519.07	23,332.71	
Kuala Lumpur	Composite	505.46	599.97	
Bangkok	SET	742.41	728.59	
Seoul	Composite Stock	674.34	664.32	
Taipei	Weighted Price	4,957.09	5,054.58	
Manila	Composite	996.58	988.91	
Jakarta	Stock Index	332.48	332.96	
New Zealand	Barclays	1,431.89	1,438.03	
Bombay	National Index	N.A.	Closed	

Sources: Reuters, AFP — International Herald Tribune

U.S. Complains Japan Protects Market for Cars

Compiled by Our Staff From Dispatches

TOKYO — Japan has not done enough to open its auto and car-parts markets to American manufacturers, so Washington will keep up the pressure, the U.S. Commerce Department's undersecretary for international trade, J. Michael Farren, said Friday.

While Japanese car and auto-parts makers have moved aggressively into the United States, U.S. manufacturers have found their entry into Japan strewn with obstacles, he said at a news conference after two days of talks on trade in cars and car parts.

"We have told our Japanese counterparts that we are not satisfied with the progress to date in the opening of the Japanese market," he said.

Mr. Farren acknowledged that a reputation for inferior quality was handicapping American efforts to sell cars to the Japanese. But he said the problem had now been solved.

"We're doing very well in other markets. We seem to have a unique problem in Japan," he said. *(AP, Reuters)*

Hong Kong Stocks Hit New High

By Laurence Zuckerman

International Herald Tribune

HONG KONG — The Hong Kong stock market continued to move into uncharted territory Friday, posting its fourth record in the past six sessions.

The exchange's Hang Seng Index closed at 4,031.29, up 2.52 points from its previous record high set Wednesday and a 33 percent rise since January.

"At this point we can expect the market to enjoy a boom between now and the end of this year, and even beyond," said Percy Au-Young, senior research manager at Sun Hung Kai Securities.

Hong Kong was the last of the world's major markets to surpass the high set just prior to 1987's global stock market collapse. The market has been one of the world's top performers all year, and analysts had been predicting a record run recently as the three major obstacles holding back investors disappeared in quick succession.

First, the Hong Kong government reversed itself and lowered interest rates, then Britain and China announced an agreement clearing the way for a vast airport development project that had been in a stall for months. Finally, a key vote in the U.S. Senate on Wednesday virtually assured that China would retain its most-favored-nation trading status with the United States, a matter of critical importance to Hong Kong, which is China's principal commercial gateway.

Property-related shares, which make up 27 percent of the exchange's market value, have been leading the latest run as the airport accord buoyed prices and encouraged speculation. Most of the action has been in companies specializing in small and medium residential housing, which is in heavy demand because Hong Kong's middle class is rushing to secure housing before the colony is returned to China in 1997.

But other sectors, such as banking and utilities, have performed well also. Analysts say the rise is being fueled by foreign investors who had been reluctant to invest until the airport and the trading status issues were resolved.

Mr. Au-Young bases his optimism on the fact that shares are still trading at the relatively low average price-to-earnings ratio of 11.5. At the height of the 1987 bull market, the average P/E was 16, he said.

But other brokers, mindful of the exchange's past volatility and the specter of more friction with China, are happy to see the market move up slowly. "It needs a period of consolidation," said Ravi Narain, research director at Peregrine Brokerage. "We see 4,200 as a resistance point over the next one or two months."

Official Says India Flexible on Equity

Agence France-Presse

NEW DELHI — In a bid to lure firms wanting to leave Hong Kong, India will allow foreign investors to hold more than 51 percent of the equity in certain industrial sectors, Finance Minister Manmohan Singh said Friday.

"All this foreign bashing is not good for the morale of the country," he said in regard to the hitherto-protected domestic industry. India's new industrial policy raised from 40 to 51 percent the equity foreign investors are allowed to hold in such areas as metallurgy, hotels and tourism, electrical equipment and transport.

Mr. Singh said even the 51 percent could be waived in certain cases, taken by analysts to mean high-tech, high-growth areas.

He said New Delhi hoped this approach would draw international firms who may leave Hong Kong when the colony reverts to Chinese rule in 1997. Opening India's huge market to multinationals would make domestic industry competitive and quality conscious, he said.

NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

NYSE Highs-Lows

NEW HIGHS 47

AirFrt	Ambacinc n	AshlndCoal	BCE Inc g
BkBos adj pf	CSX Cp	CapstdMtg	CapstdMd pf
CharterCo	DeltaWood	duPont	Edwards
EnquirStar n	ExelLtd n	FstVaBks	FltNor pfB
GraceCo	GreenTree	IMC Fert	IowaIllGE
Keycp pfB	LacledeGas	LincNlFd	LaPL pf
Lydall	MEI Divrs	Merck	MstropFn
MorgSt pf	NII pf	NetwkEqp	NIM 525pf
NIM 610pf	NuvNMMO	NuvNYPer	RepubNY
RPR s	Rykoff	SCEcorp	SntaFeEP
SealdAir n	Svcmstr	TRW Inc	UJB Fncl
UnvMtchbox	WahlcoEnv n	WashGas	

NEW LOWS 6

Ameron	GIABk	HomeFed	InitSeci n
SntaFeR	UniCare s		

AMEX Highs-Lows

NEW HIGHS 18

AdvMed pf	Amisrael	AmTr-alp prm	AmTr-dd sc s
AmTr-mrk sc	AmpcoAl	Cambrex	CdnOccl g
Comptek	FloelFncl	FranklinCp	FruitLoom
HenlyInt	HubelA	RevellMon n	SCE 8%pf
Teleflex s	WolfHow B		

NEW LOWS 7

viDivlHlt	Eco Corp	EdisteRs	Foodrama
Leaslnd	RoyalOak n	TIE n	

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Herald INTERNATIONAL Tribune

Saturday-Sunday,
July 27-28, 1991
Page 12

THE MONEY REPORT

FIRST COLUMN

Regulatory Lessons in BCCI Affair

PERHAPS the biggest surprise to emerge from the BCCI debacle is that it hasn't given international finance in general — and cross-border, offshore banking in particular — a worse name. To protect its own reputation, the U.S. banking industry, about to undergo great changes, should look to avoid making the same mistakes as its offshore brethren.

It looks as though billions of dollars are not properly accounted for at BCCI, though the auditing hounds have only just started on the trail. Certainly, thousands of investors around the world have found their assets frozen. And the banking and regulatory authorities of Britain and Luxembourg are having to scrape copious quantities of egg from their faces. How they must wish the BCCI saga could be like an egg — over and easy.

The affair, however, is far from over. Nor do the authorities deserve to have an easy time of it. They point to the need for a kind of legally *verifiable certainty* before acting. Understandably, investors find this a weak excuse. A more compelling justification is the multiplicity of jurisdictions in which BCCI was operating. Everyone, it now seems, was waiting for everyone else to move in a somewhat bizarre regulators' version of a Mexican stand-off.

The multiple jurisdiction issue provides the U.S. Congress with an excellent example not to follow. Interstate banking, the most important change, is to be welcomed, but cautiously. The number of banking supervisory agencies is also to be rationalized, from four to two. The intention is laudable: To detect problems earlier and prevent a domestic version of BCCI occurring. But given the way a bank can play one authority off against another, might not two supervisory bodies be just one too many?

Smaller Stocks Get Better Again

By Rupert Bruce

ONE thing is certain. The era of easy investment pickings is over, at least in the short term. Around the world, investors are looking for extra value in stocks, bonds and other securities. For much of the 1980s, investing was almost as simple as just buying something and waiting until its value rose. It required a special kind of talent to lose money. But now investors want a reason — and it had better be a good one — before they buy.

Some invest on geographic location, others by industrial activity. Others opt for size — and they argue that small is beautiful. To the smaller company enthusiast it comes as no surprise that these stock prices have started to recover in both the United States and Britain after spending the last few years in the doldrums.

Once again, investment managers on both sides of the Atlantic are quoting the reasons why smaller companies stocks tend to outperform their larger brethren over the long term. Most agree that smaller company stocks are star performers when economies climb out of recessions. They also suspect the backdrop for a prolonged cycle of exceptional performance from smaller companies *is falling into place.*

The reasons why smaller companies stocks outperform are well rehearsed. They start from a small capital base and so have substantial potential for growth. Moreover, management often has a large equity share and so is highly motivated. These companies can exploit specialist niches without competing directly with larger corporations. And there is a good likelihood that a successful smaller company will become the subject of a takeover bid.

Put another way, Laurie Gabriel, vice president and portfolio manager of Boston-based Wellington Management Co., said of small companies: "Given that they are more risky, investors demand a higher return in order to compensate."

In statistical terms small U.S. stocks have outperformed the S&P 500 Index by an average of 1.5 percent a year between 1926 and 1990, according to Chicago-based Ibbotson Associates. A glance at the holdings in the Ibbotson index suggests it defines small companies as those with market capitalizations of between $10 million to $360 million.

In Britain, small stocks outperformed the FTA All-Share index by an average of 4.5 percent a year between 1955 and 1991, according to the London brokerage Hoare Govett. The firm defines smaller companies as those that had a market capitalization of less than $300 million at the beginning of 1991.

The first smaller company mutual fund, The OTC Securities Fund that Wellington manages for F&G Review Management Corp., was established in 1956. But the concept did not catch on until a flood of academic studies in the mid-1970s illustrated smaller companies' outperformance.

> **'We could be looking at five, six, seven years of relative outperformance' by stocks of smaller companies.**
>
> **Laurie Gabriel, portfolio manager at Wellington Management Co.**

By an unhappy coincidence that may not surprise those cynics who regard a flood of fund launches as a negative indicator for a market, the peak year for new funds in the United States was 1982. That marked the beginning of a seven-year period in which small stocks underperformed the S&P 500 by an average of 12.1 percent a year. While smaller companies have outperformed over long periods of time, there are shorter cycles of over- and underperformance.

Ms. Gabriel cited a number of reasons for the relatively poor performance of small stocks in the 1980s. Large companies grew faster as they started "leveraging up" through borrowings, and they enjoyed better tax benefits. At the same time, demand from overseas for blue-chip stocks grew while the same companies were buying back stock.

In Britain, the Hoare Govett Smaller Companies Index did not start to underperform the main market indices until 1988. That was the same year that the interest-rate rises that would push Britain into recession started.

Hoare Govett's head of smaller company research, John Houlihan, said the relative performance of smaller company stocks was intertwined with that of the British economy. "They are very involved in the domestic economy because they are not so involved as a group in overseas trade," he said. Bigger stocks, on the other hand, are heavily involved with overseas trade and so it is natural they should have outperformed as Britain entered a recession.

Smaller company stocks in both the United States and Britain took off at the beginning of 1991, however. They have since cooled down. But in the United States, where Wellington believes recession has ended, small stocks have still outperformed their large brethren over the first half of 1991. In Britain, where recovery still seems distant, small stocks have marginally underperformed over the period.

SO what happens now? Small stocks are historically at very low valuations compared with large ones. In the United States, the last time small companies were at these sorts of valuations was the mid 1970s, before a 10-year period of outperformance. In Britain, the last time was in the early 1980s before a seven-year period of outperformance.

At Wellington, analysts said they thought most of the exceptional factors that benefited larger stocks in the 1980s have faded. "Coming out of a recession the benefit (to smaller companies) tends to last longer than five to six months," Ms. Gabriel said.

"In addition, if we have turned the cycle we could be looking at five, six, seven years of relative outperformance following the historical pattern. That is my view but it is not something that we could predict."

In Britain, Mr. Houlihan said the key to smaller company performance would be the state of the domestic economy. "All one can say with a degree of certainty is in the years following a recession, smaller companies have outperformed and outperformed well, and it will in my view happen this time round as well," he said.

Assuming that the British economy will be out of recession in the fourth quarter of this year, he said: "My guess is that 1992 and 1993 will see years of very substantial outperformance if history is to repeat itself."

But investors should be circumspect about buying small stocks. They should have a diversified portfolio of at least 40 stocks, according to investment managers. They also should buy the stocks for the long term, particularly because limited liquidity curtails short-term investment.

Michael Giddings, who runs the offshore Old Court and onshore Now Court smaller company funds for London-based Rothschild Asset Management, regarded mutual funds as the best way to invest in small stocks.

"The private investor will suffer from a lack of official data and an inability to keep well-informed," he explained. "He does not have the same opportunities to meet the management and assess the market's view. He is at a disadvantage to the professional investor."

Small Company Stock Funds — U.S., U.K. Rankings

All figures are percentage changes in U.S. dollar terms.

U.S. Mutual Funds		British Unit Trusts	
Top Ten over One Year		**Top Ten over One Year**	
United New Concepts Fund	133.94	[illegible] UK Smaller Cos	100.49
Portico Special Growth Fund	129.38	BG British Growth	100.84
Westcore Midco Growth	129.06	[illegible]	99.13
Mas Pooled Small/Medium	126.03	Pearl UK Smaller Companies	92.49
John Hancock Spl Equities	120.43	Temple Bar Unlisted Secs Mkt	91.6[illegible]
Sit New Beginning Growth	120.42	Gartmore UK Smaller Cos	91.[illegible]
Founders Discovery Fund	120.31	Capital House Smaller Cos	91.[illegible]
Wasatch Aggressive Eqty	119.91	Aetna Smaller Cos Dividend	91.[illegible]
Fidelity Low Priced Stock	118.65	M&G Smaller Companies	90.50
Oberweis Emerging Growth	116.38	Royal Life UK Emerging Cos	89.56
Top Ten over Five Years		**Top Ten over Five Years**	
Janus Venture Fund	203.95	Temple Bar Unlisted Secs Mkt	190.5[illegible]
Hartwell Emerging Growth	197.97	Buckmaster Smaller Companies	185.65
Kaufmann Fund	181.81	Govett UK Small Companies	184.5[illegible]
Sit New Beginning Growth	179.71	M&G Smaller Companies	174.62
Fidelity Otc Portfolio	172.93	Aetna Smaller Cos Dividend	166.[illegible]
Nicholas II	165.50	[illegible] Smaller Securities	164.85
Acorn Fund	162.97	Granville Small Companies	163.27
Scudder Development Fund	161.[illegible]	Manulife UK Smaller Companies	162.69
Kemper Summit Fund	160.[illegible]	New Court Smll UK Companies	160.07
A-C Emerging Growth Fund	159.30	Henderson Smaller Cos Dividend	157.25

Source: Micropal

International Herald Tribune

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INTERNATIONAL FUNDS

July 26, 1991

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: d – daily; w – weekly; b – bi-monthly; r – regularly; t – twice weekly; m – monthly

ABACUS FUNDS
w Abacus Fund Ltd $ 7.95
b Abacus Guart.Fd.Mar 94 $ 9.00
b Abacus Guart.Fd.July 95 $ 9.87
ABC INVESTMENT & SERVICES CO (E.C.)
m ABC Futures Fund Ltd $ 99.65
ABN BANK LD.06, P.O. Box 669, Amsterdam
w ABN-Aandelenfonds Fl 81.34
w ABN-Beleggingsfds Ned. Fl 62.09
w Aldollar $ 23.80
w Alrenta Fl 186.40
w America-Fund $ 184.52
w Asian Tigers Fund $ 31.77
w Columbia Securities Fl 126.75
w LDC Risk Inv. Fund $ 1288.58
w Trans Europe Fund $ $ 40.38
w Trans Europe Fund Fl Fl 80.03
AIG FUND MANAGEMENT Ltd
d AIG Amer. Eq. Trust $ 25.40
d High Life Fund Ecu 10.76
d UBZ Euro Optimizer Ecu 10.4723
d UBZ Liquidity Fund $ $ 102.0943
d UBZ Liquidity Fund DM DM 102.4457
d UBZ Liquidity Fund Ecu Ecu 100.3921
d UBZ Liquidity Fund SF SF 102.9206
ALFRED BERG
d Alfred Berg Norden $ 138.71
Alfred Berg Sicav
d Global $ 131.74
d Germany $ 120.57
d Switzerland $ 91.73
d Netherlands $ 95.86
d North America $ 99.59
ALPHA ASSET MANAGEMENT Ltd
De Ruyterkade 62, Curacao NA 5999 617844
m Alpha Europe Fund Ecu 244.17
m Alpha Futures Fund Ltd $ 151.72
m Alpha Global Fund $ 663.71
m Alpha Hedge Fund $ 322.25
m Alpha Pacific Fund Ltd $ 283.85
m Alpha Short Fund Ltd $ 102.64
m Alpha Spec. Situation Fd $ 314.90
m Alpha Tilidate Fund $ 138.75
m Curran-Alpha Hlth Care Fd $ 288.35
w Helsei Japan Fund Y 14250.00
w Nicholas-Applegate Aurelia $ 159.23
m Nicholas-Applegate Hge Fd $ 116.40
ARRAL ASSOCIATES Ltd
w Arral American Quant Fd $ 10.43
w Arral Asian Fund $ 150.47
w Arral Int'l Hedge Fund $ 105.11
BA GATEWAY FUND
w Germany Fixed Income DM 103.51
w Belgium Fixed Income BF 10960.00
w US Dollar Fixed Income $ 111.92
w Int'l Portfolio A $ 102.09
w Int'l Portfolio B Ecu 109.22
w Japan Equity Y 9771.00
w Pacific Equity $ 97.22
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726614
w Int'l Equity Fund (Sicav) $ 10.57
w Int'l Bond Fund (Sicav) $ 11.99
w Dollar Zone Bd Fd (Sicav) $ 10.27
w Sterling Equity Fd (Sicav) £ 1.02
w Sterling Bd Fd (Sicav) £ 1.11
BANQUE DE GESTION E. DE ROTHSCHILD LUXEMBOURG S.A.
b Eagle Fund LF 9840.00
d Europe Japan Fund $ 9.18
b Government Secur. Fd $ 64.49
w Hispano Int'l Fund Ecu 11.25
w Leicom $ 1971.08
b Deportunites $ 952.83
b Optigest Cursitor Gen. DM 148.92
b Optigest Fixed Inc DM 114.09
b Prifirst $ 525.82
b Primop Fund DM 43.85
w Rente Plus BF 4793.00
f Select. Horizon FF FF 66272.86
b Star Convert. Fd Fl Fl 10887.00
b Star Convert. Fd US$ $ 105.22
BANQUE INDOSUEZ
w The Dragon Fund Sicav $ 103.24
m Galaxy Futures Fund Ltd $ 109.18
m Dual Futures Fd Cl A Units $ 111.35
m Dual Futures Fd Cl B Units $ 111.54
m Dual Futures Fd Cl C Units $ 105.50
m Dual Futures Fd Cl D Units $ 107.72
m Maxima Fut. Fd Ser. 1 Cl. A $ 99.74
m Maxima Fut. Fd Ser. 1 Cl. B $ 99.74
w IPNA-3 $ 530.00
w Asian Growth Fund $ 34.86
w ISA Japan Reg. Gr. Fund Y 995.00
w Pacific Gold $ 12.23
w Asian Income Fund $ 8.62
w Himalayan Fund $ 9.61
w Manila Fund $ 8.43
w Malacca Fund $ 13.44
w The Siam Fund $ 21.56
d Indosuez Hong Kong Fund $ 21.805
w Oriental Venture Trust $ 42.475
w North American Fund $ 36.050
w Singap & Malay Trust $ 14.558
w Pacific Trust HK$ 21.550
w Tasman Fund $ 4.165
w Japan Fund $ 13.895
w Managed Trust $ 19.270
d Japan Warrant Fund $ 2.46
d Worldwide Growth Fund $ 9.73
BANQUE PRIVEE E. DE ROTHSCHILD
w Daiwa Capital Eq. Fund $ 910.76
w Daiwa LCF Rothschild $ 1032.67
w Ecu D'Or Ecu 78.73
b Pri-Tech $ 1103.99
b Source Sicav $ 12.34
BANQUE SCANDINAVE EN SUISSE-GENEVA
w Intelbond Chf. SF 79.80
w Intelsec Chf. SF 176.30
w Swissfund Chf. SF 106.50
w Universal Eurosec Ecu Ecu 99.81
w Universal Finnsec Global FM 116.41
w Universal Intelbond $ A $ 15.45
w Universal Intelbond $ B $ 16.08
w Universal Intelbond FF A FF 105.64
w Universal Intelbond FF B FF 115.60
w Universal Intelsec $ A $ 14.16
w Universal Intelsec $ B $ 14.22
BEARBULL
w BB Forex Ltd $ 1166.97
w BB Futures Ltd $ 1122.08
w BB Global Ltd BEF BF 951.00
w BB Global Ltd CHF SF 9.46
w BB Global Ltd FRF FF 98.21
BNP INTERFUNDS
BNP LUXEMBOURG
w Interbond Fund $ 221.07
w Interbelgian BF 57779.00
w Interecu Fund A Ecu 281.14
w Interecu Fund B Ecu 1084.04
INTER CASH
f France Securite FF 13836.34
f France Monetaire FF 11833.68
f France Capital FF 13014.98
f Inter Cash ECU Ecu 1533.91
f Inter Cash US$ $ 1137.88
f Inter Cash DM DM 2311.74
f Inter Cash GBP £ 1209.96
f Inter Cash FRF FF 16063.46
f Inter Cash YEN Y 153328.00
INTER OPTIMUM
w BEF/LUF BF 78912.00
w Multidevises DM DM 2265.51
w US$ $ 1077.68
w FRF FF 11612.26
INTER STRATEGIE
w France FF 9765.44
w Europe du Nord £ 1065.04
w Europe du Centre DM 2122.12
w Europe du Sud Ecu 1028.71
w Japon Y 136606.00
w Amerique du Nord $ 1128.66
w Sud-Est Asiatique $ 898.43

BNP JERSEY
INTER CURRENCY
w DM DM 35.2217
w GBP £ 13.8273
w US$ $ 12.4291
INTER EQUITY
w Australia Class $ 10.38
w European Class $ 9.48
w French Offer $ 15.94
w North American Offer $ 12.22
w Pacific Offer $ 17.72
BROADGATE INTERNATIONAL FUND
d $ Money Market $ 14.52
d Non-$ Money Market DM 35.23
d $ Bond $ 14.87
d Non-$ Bond DM 33.56
d European Equities $ 9.71
d Global Equity $ 17.27
d Global Bond $ 15.44
d Global Bond & Equity $ 15.37
d Pacific Equities $ 11.10
d Prec. Mets / Min. Secs $ 5.69
CAISSE CENTRALE DES BANQUES POP.
w Fructilux Actions Euro Ecu 1208.17
w Fructilux Actions Fses FF 7018.40
w Fructilux Court Terme FF 6802.90
w Fructilux Oblig. Euro Ecu 1229.28
w Fructilux Oblig. Fses FF 6634.57
CALLANDER
w Callander Emer. Growth $ 126.91
w Callander F-Asset $ 93.89
w Callander F-Austria AS 1414.28
w Callander F-Spanish Pta 8699.00
w Callander Swiss Growth SF 138.52
CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 94.49
w Capital Italia SA $ 34.35
CDC INTERNATIONAL
w CFI Court Terme FF 139495.62
w CFI Long Terme FF 1219289.15
CIC GROUP
d Oblicic Court Terme FF 12560.65
d Oblicic Monetaire FF 13519.25
CITICORP INVESTMENT BANK (Lux)
POB 1373 Luxembourg Tel. 477 95 71
d Citinvest Guardian $ $ 1093.06
d Citinvest Guardian Euro Ecu 1160.59
d Citinvest Mngd Growth $ 1232.89
d Citinvest Mngd Grth Euro Ecu 1096.70
d Citinvest Selector $ 914.09
d Citicurrencies US$ $ 1486.61
d Citicurrencies Managed $ 128.50
d Citicurrencies STG £ 132.45
d Citicurrencies DEM DM 116.46
d Citicurrencies YEN Y 11211.00
d Citiport N.A. Equity $ 191.29
d Citiport Japan Equity Y 5905.00
d Citiport UK Equity £ 116.48
d Citiport IAPEC $ 143.70
d Citiport Cont. Euro. Equity Ecu 134.33
d Citiport Eamec $ 180.13
d Citiport German DM 81.82
d Citiport Swiss SF 92.41
d Citiport French Equity FF 1115.20
d Citiport N.A. $ Bond $ 129.28
d Citiport Euro Bond Ecu 118.85
d Citiport Asia Pacific Bond Y 11807.00
CITITRUST
w US $ Equities $ 223.49817
w US $ Bonds $ 14.01414
w US $ Money Market $ 14.34462
w Citiland $ 995.85163
w Citiperformance Ptfl A $ 18.15967
w Citiperformance Ptfl B $ 10.95526
m The Good Earth Fund $ 12.95091
COMPASS INTL HOLDINGS Ltd.
POB 455, Jersey 0534 27267
w Bond : Dollar Med. Term $ 11.19
w Bond : Ecu Multicurr. Ecu 11.86
w Equity : United Kingdom £ 8.21
CREDIT AGRICOLE : MOSAIS
d Actions Int'l Diversifiees FF 109.56
d Actions Nord-Americaines $ 18.98
d Actions Japonaises Y 2043.91
d Actions Anglaises £ 12.41
d Actions Allemandes DM 33.30
d Actions Francaises FF 107.51
d Actions Esp. & Port. Pta 2444.46
d Actions Italiennes Lit 28138.29
d Actions Bassin Med. Ecu 17.38
d Actions Bassin Pacifique $ 16.20
d Actions Europeennes Ecu 15.81
d Actions Agro-Alimen. FF 110.51
d Actions Sect. Comm. FF 105.73
d Oblig Int'l Diversifiees FF 111.84
d Oblig Nord-Americaines $ 13.92
d Oblig Japonaises Y 2070.25
d Oblig Anglaises £ 10.76
d Oblig Allemandes DM 31.62
d Oblig Francaises FF 114.12
d Oblig Esp. & Port. Pta 2220.81
d Oblig Italiennes Lit 26059.85
d Oblig Europeennes Ecu 17.11
d Oblig Haut Rendement $ 17.03
d Oblig Int'l Div Sensib Red FF 111.34
d Oblig Convert. Intern. $ 115.50
d Court Terme Ecu Ecu 17.35
d Court Terme US$ $ 16.08
d Court Terme FF FF 113.74
CREDIT COMMERCIAL de FRANCE
w CM Actibonds $ 36.74
w CM Global Growth $ 10.06
w Elysees Monetaire FF 70928.84
d Europe Prest. Fund A Ecu 9.48
d Europe Prest. Fund B Ecu 11.51
CREDIT SUISSE
d CSF Bonds SF 75.122
d Bond Valor Swf SF 96.291
d Bond Valor US-Dollar $ 117.817
d Bond Valor D-Mark DM 104.253
d Bond Valor Yen Y 9550.923
d Bond Valor £ Sterling £ 97.372
d Convert Valor Swf SF 143.539
d Convert Valor US-Dollar $ 186.906
d CSF International SF 133.651
d Actions Suisses SF 541.856
d Europa-Valor SF 213.270
d Energie-Valor SF 158.115
d Canasec SF 530.993
d Ussec SF 761.120
d Pacific-Valor SF 136.483
d CS Gold Valor $ 118.285
d CS Tiger Fund $ 614.160
d CS Ecu Bond A Ecu 100.626
d CS Ecu Bond B Ecu 135.876
d CS Gulden Bond A Fl 95.227
d CS Gulden Bond B Fl 118.604
d CS Hispano Iberia Fd A Pta 23487.500
d CS Hispano Iberia Fd B Pta 24816.309
d CS Euro Finance Fd A DM 223.956
d CS Euro Finance Fd B DM 223.956
d CS Prime Bond A DM 90.890
d CS Prime Bond B DM 109.171
d CS Europa Bond A DM 247.516
d CS Europa Bond B DM 278.276
d CS Fixed I SF 7% 1/96 SF 105.697
d CS Fixed I DM 8% 1/96 DM 104.514
d CS Fixed I Ecu 8 3/4% 1/96 Ecu 105.516
d CS Euro Blue Chips A DM 243.946
d CS Euro Blue Chips B DM 248.287
d CS Short-T. Bond $ A $ 101.778
d CS Short-T. Bond $ B $ 133.980
d CS Short-T. Bond DM A DM 97.591
d CS Short-T. Bond DM B DM 122.312
d CS Money Market Fd $ $ 1625.494
d CS Money Market Fd DM DM 1416.694
d CS Money Market Fd £ £ 1913.789
d CS Money Market Fd Yen Y 130746.560
d CS Money Market Fd C$ C$ 1103.546
d CS Money Market Fd Ecu Ecu 1095.600
d CS Oeko-protec A DM 282.965
d CS North American Fd A/B $ 196.112
d CS UK Fund A/B £ 99.642
d CS France Fund A/B FF 905.178

CSFB FUND MGMT Ltd (0481-713996)
PB122, St Peter Port, Guernsey
w Islamic Mgmt Fund Ltd $ 995.53
DIT INVESTMENT FFM
d Concentra + DM 45.20
d Int'l Rentenfond + DM 77.23
EBC TRUST CO. (Jersey) Ltd
1-3 Sele St, St Helier ; 0534-36331
EBC AMRO TRADED CURRENCY FUND
d Capital $ 23.854
d Income $ 15.810
INTERNATIONAL INCOME FUND
w Long Term $ 34.8411
d Short Term B (Accum) $ 0.7748
d Short Term B (Distr) $ 0.9522
ECU FUTURES PLC (44 71 225 3911)
d Ecu Plc Onega Fund £ 1.32
d Ecu Plc Oil Fund £ 0.93
d Ecu Plc Rayden Fund £ 1.18
EQUIFLEX LIMITED
w Europe A Fl 10.28
w North America A Fl 10.45
EURO PACIFIC ADVISERS Ltd
w Meteore Y 110087.00
w Pacific Horizon Invt. Fd $ 2843.84
FIDELITY INT'L INV. SERVICES (Lux)
d Balanced Ptfl Hedged $ 11.17
d Balanced Ptfl Unhedged $ 11.40
d Conv. Securities Ptfl $ 8.77
d Discovery Fund $ 17.72
d Dollars Saving Trust $ 188.64
d Far East Fund $ 70.54
d Fid. Amer. Assets $ 152.42
d Fid. Amer. Values III Com $ 90.47
m Fid. Amer. Values IV $ 105748.00
d Fid. Australia Fund $ 16.30
d Frontier Fund $ 26.46
d Global Ind Fund $ 15.25
d Global Selection Fund $ 13.42
d International Fund $ 15.34
d New Europe Fund $ 9.07
d Orient Fund $ 109.39
d Pacific Fund $ 330.01
d Special Growth Fund $ 35.06
d World Fund $ 75.03
FINLEY ASSET MGMT (1-809-322-5839)
w Finley Portfolio Fd (BVI) $ 1.07
FOKUS BANK A.S. 472 428 555
w Scantonds Int'l Growth Fd $ 1.47
GAIA CURRENCY FUNDS
w Gaia Hedge I $ 107.11
w Gaia Hedge II $ 230.74
w Gaia Hedge III $ 50.69
w Gaia Swiss Franc Fd SF 95.20
m Gaia Guaranteed Cl. I $ 77.67
m Gaia Guaranteed Cl. II $ 85.66
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel : 41-1-2516640
d GAM (CH) Mondial SF 1354.00
d GAM (CH) Pacific SF 2028.00
d GAM (CH) America SF 1738.00
d GAM (CH) Europe SF 76.00
GAM TRADITION ANGLEFONDS AG.
d GAM Tradition SF 932.00
GARTMORE FUND MANAGERS INT.
45, La Motte Street, Jersey 0534 27301
CAPITAL STRATEGY FD Ltd
d American Fund $ 1.737
d Canadian Fund C$ 0.8854
d British Fund £ 2.560
d European Fund DM 5.484
d Eastern European Fd DM 4.065
d Asia Pacific Fund $ 2.199
d Japan Fund Y 604.7
d Australasian Fund $ 0.3382
d Global Resources Fund $ 0.7497
d Emerging Markets Fund $ 1.139
d International Growth $ 2.953
d Sterling Bond £ 1.060
d Ecu Bond Fund Ecu 0.9516
d International Bond $ 1.182
d Global Conv. Bond Fd $ 16.56
d US$ Deposit $ 1.021
d Sterling Deposit £ 1.018
d French Franc Deposit FF 10.34
d Swiss Franc Deposit SF 5.147
d DM Deposit DM 5.162
d Yen Deposit Y 514.4
d Austr. Dollar Deposit A$ 1.042
GARTMORE INDOSUEZ FUNDS 25/07/91
Tel : (352) 46 54 24 470
Fax : (352) 46 54 23
BOND PORTFOLIOS
d Deutsche Mark Bond DM 5.10
d Diverbond $ 2.53
d Dollar Bond $ 2.06
d European Bond Ecu 1.05
d French Franc Bond FF 10.04
d Global Bond $ 2.00
d Sterling Bond £ 1.80
EQUITY PORTFOLIOS
d Developing Markets $ 2.29
d Europe Ecu 1.12
d France FF 10.09
d Germany DM 4.81
d International $ 2.08
d Japan Y 263.00
d Natural Resources $ 2.05
d North America $ 2.29
d Pacific $ 2.35
d Singapore/Malaysia SG$ 5.76
d Switzerland SF 2.69
d United Kingdom £ 1.19
RESERVE FUNDS
d Deutsche Mark Reserve DM 5.16
d Dollar Reserve $ 2.04
d French Franc Reserve FF 10.34
d Sterling Reserve £ 1.05
d Yen Reserve Y 265.00
GEFINOR FUNDS
London : 071-4994171, Geneva : 41-22355530
w East Investment Fund $ 852.49
w Scottish World Fund $ 215.7713
w State St. American $ 292.64
GENERALE BANK
(See also Interselex Group)
d Rentinvest $ 27.39
d Capital Rentinvest LF 140.52
d Rentinbel Distribution LF 9535.00
d Rentinbel Capitalization LF 12085.00
GENESEE FUND Ltd
w (B) Genesee Short $ 80.12
w (C) Genesee Opportunity $ 116.29
w (E) Genesee Balanced $ 107.09
GLOBAL ASSET MANAGEMENT
11 Athol St.Douglas.I.of Man 44-624-626037
w GAM Arbitrage Inc. $ 247.81
w GAM America Inc. $ 274.16
w GAM Australia Inc. $ 122.86
w GAM ASEAN Inc. $ 188.77
w GAM Boston Inc. $ 312.82
w GAM Selection Inc. $ 410.32
w GAM European Inc. $ 91.56
w GAM Europe Fund $ 77.68
w GAM Franc-Val Inc. SF 194.97
w GAM France Inc. FF 1474.30
w GAM Global Fund $ 107.19
w GAM High Yield Inc. $ 104.32
w GAM Hong Kong Inc. $ 261.72
w GAM International Inc. $ 130.57
w GAM Japan Inc. $ 633.07
w GAM North America Fund $ 117.19
w GAM Money Mkts Fd $ $ 100.60
w GAM Money Mkts Fd £ £ 101.08
w GAM Money Mkts Fd SF SF 100.82
w GAM Money Mkts Fd DM DM 100.65
w GAM Money Mkts Fd Yen Y 10062.00
w GAM Mlti-Mgr Fd Inc Allocs $ 113.42
w GAM MltiMgr Fd IncGenEq$ $ 113.42

w GAM Mlti-Mgr Fd Trading $ 117.68
w GAM Mlti-Mgr Deferred Cl $ 110.28
w GAM Pacific Basin Fund $ 130.75
w GAM Pacific Inc. $ 557.71
w GAM Restr. Fund Inc $ 143.43
w GAM Singap-Malay Inc $ 260.16
w GAM Swiss Fr Spec Bd Fd SF 98.48
w GAM Value Inc. $ 99.47
w GAM Worldwide Inc. $ 415.27
w GAM Tyche S.A. Class A $ 244.69
w GAM Univ. Spain Inc SF 107.01
w GAM Univ. D-Mark Acc DM 120.61 *
w GAM Univ. D-Mark Inc DM 117.59 *
w GAM Univ. Dollar Acc $ 109.79 *
w GAM Univ. Dollar Inc $ 107.47 *
w GAM U.S. Inc. $ 196.60
w GAM Whitehorn Fund Inc $ 157.85
w GAM UT Inc. $ 405.26
w GSAM Composite Inc $ 244.79
w GAM Bond Fd Inc. US Ord $ 116.82
w GAM Bond Fd Inc. US Spe $ 143.70
w GAM Bond Fd Inc. SF SF 82.78
w GAM Bond Fd Inc. Yen Y 11717.00
w GAM Bond Fd Inc. DM DM 91.53
w GAM Bond Fd Inc. £ £ 113.79
w GAM Sterling Spec. Bd Fd £ 110.77
GT MANAGEMENT PLC (44 71 222 44 44)
d G.T. ASEAN Fund $ 45.60
d G.T. Asia Fund $ 19.22
d G.T. Australia Fund $ 24.42
d G.T. Berry Japan Fund $ 28.28
d G.T. Biotech/Health Fd $ 18.67
d G.T. Bond Fund $ 16.30
d G.T. Deutschland Fund $ 11.72
d G.T. Dollar Fund $ 21.03
w G.T. Emerging Mkts Fd $ 10.68
d G.T. Euro Small Co Fd $ 32.82
d G.T. Europe Fund $ 31.21
d G.T. Global Small Co Fd $ 16.38
d G.T. Hong Kong Fund $ 35.32
d G.T. Honshu Pathfinder $ 12.56
d G.T. Investment Fund $ 15.32
w G.T. Japan OTC Stocks Fd $ 12.59
w G.T. Japan Small Co Fd $ 17.77
d G.T. Korea Fund $ 6.88
w G.T. Latin America Fd $ 11.40
w G.T. Newly Ind Countr Fd $ 30.42
r G.T. Technology Fund $ 39.75
d G.T. UK Small Companies £ 4.71
d G.T. US Small Companies $ 15.89
HILL SAMUEL INVEST. MGMT. INTL S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
d Crossbow (For East) SF 15.85
d CSF (Balanced) SF 41.21
d European Equity Fund DM 18.69
d Int'l Bond Fund $ 12.73
d Int'l Currency US $ 27.98
d Int'l Currency US Mngd $ 29.71
d ITF Fd (Technology) $ 15.75
d O'seas Fd (N. America) $ 50.63
IAM, 2 Bd. Royal LUXEMBOURG
d IAM Flagship Fund Ecu 77.66
w IAM Bonds Fd-France A FF 650.36
w IAM Bonds Fd-Allem. B DM 221.96
w IAM Bonds Fd Japan C Y 10839.00
w IAM Bonds Fd Div. I FF 538.50
w IAM Europe Global Ecu 90.89
w IAM Europe Luxe Ecu 88.46
w IAM Europe 1992 Ecu 91.75
w IAM Europe du Sud Ecu 86.08
INTERSELEX GROUP
d Int. America Sicav $ 18.37
d Int. Belga Sicav BF 2783.00
d Int. Europa Sicav LF 6340.00
d Int. Pacific Sicav $ 96.44
d Int. World Distr. Sicav $ 93.85
INVESCO MIM INT'L, POB 271, Jersey
Tel : 44 534 73114
d Income Plus Fund $ 2.5050
d Dollar Mngd Curr $ 14.9100 *
d Dollar Mngd Ptfl $ 2.2190
d Sterling Mngd Ptfl £ 1.7460
d Pioneer Markets $ 3.2440
d UK Growth £ 1.1680
d Gold & Prec. Metals $ 0.9000
d Sterling Mngd Curr £ 17.4590
d Japan Dollar Perf. Fund $ 3.1010
d Jersey Gilt £ 0.1886
d Okasan Global Strat $ 17.1000
d Asia Super Growth Fund $ 13.1700
d Nippon Warrant Fund $ 7.0300
d Gtd. N.W. 1994 $ 8.1000
d Asia Tiger Warrant $ 4.6100
d European Warrant $ 2.0100
PREMIER SELECT FUNDS
d American Growth $ 5.1700
d American Enterprise $ 6.6300
d Asia Tiger Growth $ 5.5600
d Dollar Reserve $ 5.0700
d European Growth $ 4.6800
d European Enterprise $ 5.2800
d Global Emerging Markets $ 5.4800
d Global Growth $ 4.8600
d Nippon Enterprise $ 6.4600
d Nippon Growth $ 4.8100
d North American Warrant $ 5.6500
ITALFORTUNE INTL. FUNDS
w Class A (Aggr. Growth Ital.) $ 44.39
w Class B (Global Equity) $ 10.33
w Class C (Global Bond) $ 10.41
w Class D (Ecu Bond) Ecu 10.35
JARDINE FLEMING, GPO Box 11448 Hg Kg
d JF ASEAN Trust $ 22.53
d JF Far East Wrnt Tr. $ 8.69
d JF Glbl Conv. Tr. $ 11.18
d JF Hong Kong Trust $ 14.46
d JF Japan Sm. Co Tr. Y 65421.00
d JF Japan Trust Y 17370.00
d JF Malaysia Trust $ 18.01
d JF Pacific Inc. Tr. $ 82.17
d JF Thailand Trust $ 11.53
JOHN GOVETT MANT (I.O.M.) LTD
Tel : 44.624 - 62 94 20
w Govett Man. Futures £ 12.93
w Govett $ Gear. Curr. $ 15.95
JULIUS BAER GROUP
d Baerbond SF 942.00
d Conbar SF 1708.00
d D-Mark Baer Bond Fund DM 996.00
d Dollar Baer Bond Fund $ 1154.00
d Emerging Europe Fund DM 104.80
d Equibaer America $ 1967.00
d Equibaer Europe SF 1543.00
d Europe Bond Fund Ecu 111.80
d Liquibaer $ 2035.00
d SFR - BAER SF 1022.00
d Stockbar SF 2878.00
d Swisebar SF 2149.00
KIDDER, PEABODY
b Chesapeake Fund Ltd $ 1558.38
b Int'l Guaranteed Fund $ 1042.21
b Stonebenge Ltd $ 1283.69
b The Gbl Asset Alloc Fd Ltd $ 892.28
b The Krieger Curr. Fd Ltd $ 978.00
KLEINWORT BENSON SELECT FUND
d British Fund Ecu 2.11
d Emerging Asia Fund Ecu 1.82
d European Fund Ecu 1.85
d International Fund Ecu 1.82
d Japanese Fund Ecu 1.76
d Kangallis World Fund FM 11.09
d North American Fund Ecu 2.30
d Pacific Fund Ecu 1.77
LATIN AMERICAN MANAGEMENT Co Ltd
Tel : London 07 628 1234
w Argentinian Invest Co Sicav $ 13.46
w Brazilian Invest Co Sicav $ 20.27
w Mexican Invest Co Sicav $ 24.38

LIPPO ASIA LIMITED
w Java Fund $ 6.92
LLOYDS BANK PLC, POB 438, Geneva 11
Deals 41-22-3073200/Inqutr. 41-22-3073210
w Lloyds Int'l Dollar + $ 112.10
w Lloyds Int'l Europe + SF 185.80
w Lloyds Int'l Growth + SF 214.30
w Lloyds Int'l Income + SF 272.50
w Lloyds Int'l N. America + $ 189.60
w Lloyds Int'l Pacific + SF 179.80
MAGNUM FUTURES FUND Ltd
m Deutschemark Class DM 19.71
m Sterling Class £ 5.19
m US Dollar Class $ 8.95
MALABAR CAP MGMT (Bermuda) Ltd
m Malabar Int'l Fund $ 11.17
MAN INTERNATIONAL FUTURES
m Mint Limited - Ordinary $ 43.42
m Mint Limited - Income $ 14.38
m Mint Gtd Ltd - Spec Issue $ 22.75
m Mint Gtd Ltd - Nov 1993 $ 20.83
m Mint Gtd Ltd - Jan 1994 $ 16.89
m Mint Gtd Ltd - Dec 1994 $ 14.89
m Mint Gtd Ltd - Aug 1995 $ 12.13
m Fbme Mint Gtd Plc $ 113.83
m Mint Sp Res Ltd (BNP) $ 106.92
m Newcastle Guaranteed Ltd $ 11.53
m Alabaf Mint Gtd. Fund Ltd $ 111.07
m Athena Diversified Ful $ 9.84
m Athena Guaranteed Fut. $ 9.41
d Athena Guaranteed Curr $ 9.85
MERRILL LYNCH
d Dollar Assets Portfolio $ 1.00
d Iberia Portfolio $ 9.95
d Multi-Curr. Bond Ptfl Cl A $ 16.93
d Multi-Curr. Bond Ptfl Cl B $ 16.89
d USA Income Portfolio $ 9.42
d US Federal Securities Fd
d Category A $ 9.86
d Category B $ 10.22
d World Nat Res Ptfl Sh A $ 11.48
d World Nat Res Ptfl Sh B $ 11.31
MERRILL LYNCH MLT NAT'L INV PFL
GLOBAL CURRENCY BOND SERIES
d Australian Dollar Ptfl
d Category A A$ 13.85
d Category B A$ 13.92
d Canadian Dollar Ptfl
d Category A C$ 11.21
d Category B C$ 11.24
d Deutsche Mark Ptfl
d Category A DM 10.50
d Category B DM 10.53
d Pound Sterling Ptfl
d Category A £ 11.89
d Category B £ 11.91
d US Dollar Ptfl
d Category A $ 11.57
d Category B $ 11.64
d Yen Portfolio
d Category A Y 1046.00
d Category B Y 1049.00
MERRILL LYNCH MLT NAT'L INV PFL
EQUITY CONVERTIBLE SERIES
BASIC VALUE PORTFOLIO
d Class A $ 11.05
d Class B $ 10.89
CONVERTIBLE SECURITIES PTFL
d Class A $ 11.51
d Class B $ 11.40
GLOBAL EQUITY PORTFOLIO
d Class A $ 9.39
d Class B $ 9.13
EURO EQUITY PORTFOLIO
d Class A $ 10.30
d Class B $ 10.21
MULTIMANAGER N.V.
w American Growth Fd $ 10.36
w European Curr. Bond Fd Ecu 10.26
w European Growth Fd Ecu 11.17
m Futures Fd $ 9.88
w Japanese Growth Fd Y 1149.00
w Forex Fund $ 9.93
m Emerging Markets Fd $ 13.46
NIMARBEN
w Class A $ 214.31
NMB BANK, PO 1800, 1000 BV Amsterdam
w NMB Dutch Fund Fl 41.50
d NMB Euromix Growth Fd LF 2.310
d NMB Real Estate Fund Fl 37.20
w The Brazil Fund $ 1.46
NOMURA INTL. (HONG KONG) Ltd
d Nomura Jakarta Fund $ 7.70
NOMURA INVEST BANKING (M.E) E.C.
d Nomura Gulf Fund $ 8.45
OBLIFLEX LIMITED
w Multicurrency $ 24.88
w Dollar Medium Term $ 19.83
w Dollar Long Term $ 15.82
w Japanese Yen Y 3607.00
w Pound Sterling £ 18.96
w Deutsche Mark DM 13.56
w Dutch Florin Fl 13.94
w HY Euro Currencies Ecu 11.80
w Swiss Franc SF 11.03
w US Dollar Short Term $ 11.15
w HY Euro Curr Divid Pay Ecu 10.32
w Swiss Multicurrency SF 12.92
w European Currency Ecu 14.52
w Belgian Franc BF 102.14
w Convertible $ 11.29
w French Franc FF 116.20
w Swiss Multi-Dividend SF 8.96
w Canadian Dollar C$ 10.21
w Dutch Florin Multi Fl 11.91
w Swiss Franc Divid Pay SF 10.29
OLYMPIA Capital Intl. BVI
c/o OCM, 11 Av. Friedland 75008 PARIS
Tel: 33-1-45639036 Fax: 33-1-42567009
w Finsbury Group $ 151.54
w Olympia Securite SF SF 148.55
w Olympia Securite US$ $ 94.32
w Winch. Capital $ 102.19
w Winch. Frontier $ 249.23
w Winch. Fut. Olympia Star $ 102.10 *
w Winch. Hldg Int'l Madison Ecu 1094.85
w Winch. Hldg Int'l Ser D Ecu 1277.63
w Winch. Hldg Int'l Ser F Ecu 1284.70
w Winch. Hldg US$ $ 14.48
w Winch. Reser. Multi. Gvbd $ 14.42
OPTIMA FUND MANAGEMENT (BERMUDA)
6 Front St. Hamilton(809295-4000) 19/07/91
w Optima Fund $ 13.73
w Optima Futures Fund $ 9.61
w Optima Short Fund $ 10.08
PARIBAS-GROUP
d Cortexa International $ 108.46
w Europhenix Ecu 193.13
d Luxor $ 8.30
d Par US Treas. Bond Cl B $ 148.83
d Parinter Bond Fund $ 14.78
d Parinter Fund $ 217.53
w Parvest Obli-DM A DM 1182.19
w Parvest Obli-DM B DM 1416.52
w Parvest Obli-Dollar A $ 1114.97
w Parvest Obli-Dollar B $ 1435.05
d Parvest Obli-Franc A FF 1375.91
w Parvest Obli-Franc B FF 1491.26
w Parvest Obli-Gulden A Fl 958.03
w Parvest Obli-Gulden B Fl 1195.82
d Parvest Obli-Sterling £ 114.80
w Parvest Obli-Yen A Y 101944.00
w Parvest Obli-Yen B Y 123920.00
PERMAL GROUP
b Drakkar Growth $ 2196.19
b EuroMir (Ecu) Ltd Ecu 1225.97
b Media Ltd $ 923.76
b Nascal Ltd $ 1637.29
w Updyke Ltd $ 376.20

b Value N.V. $ 2126.00
PICTET & CIE - GROUP
b Eur. Opportunity (Lux) Ecu 105.15
b Eurovol (Lux) Ecu 148.53
b Global Value (Lux) Quant. Ecu 126.60
m Intl Small Cap (IOM) $ 107.90
d Pictet Valsuisse (CH) SF 453.05
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
d New Millennium Fut. Ltd $ 905.00
d Premier Futures Ltd $ 1027.55
w Asia Pac. Growth Fd N.V. $ 29.67
w Asian Selection Fd N.V. Fl 56.71
w DP Amer. Growth Fd N.V. $ 32.93
w Environment Growth Fund Fl 54.57
w Eur. Growth Fund N.V. Fl 59.76
w Japan Diversified Fund $ 44.78
w Leveraged Cap Hold $ 399.51
w Tokyo Pac. Hold. N.V. $ 222.35
PRISM ASSET MANAGEMENT
(212) 332-1082 advisor to :
d Prism Fut. Fd (EFF) $ 296.44
d Conqueror $ 91.80
d PTJ $ 119.54
d Apex Fund Ltd $ 102.32
d Rainbow $ 118.75
d Emerald Futures Ltd $ 99.30
d Harmonic Futures Ltd $ 98.84
PUTNAM
d Emerging Hlth Sc. Trust $ 29.34628
d Putnam Em. Info. Sc. Trust $ 17.67386
d Putnam Glob. High Growth $ 13.72
d Putnam High Inc. GNMA Fd $ 9.23
d Putnam Int'l Fund $ 11.94
PYRFORD, SWITZ (838) 25 17 25
w Pyrford Australian A$ 99.75
w Pyrford Int'l $ 103.25
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
d Robeco Fl 100.90
d Rolinco Fl 101.30
d Rorento Fl 64.38
d Rodamco Fl 53.58
d RG America Fund Fl 97.30
d RG Europe Fund Fl 98.30
d RG Pacific Fund Fl 102.60
ROTHSCHILD AST. MGT.
w Tokyo Pacific Hldgs (Sea) $ 162.97
ROYAL B. CANADA, POB 246, GUERNSEY
w RBC British Fund Ltd + £ 5.172
w RBC Canadian Fd Ltd + C$ 14.11
w RBC European Fund + $ 11.60
w RBC Far East & Pac. Fd + $ 48.26
w RBC Int'l Bond Fund Ltd + $ 13.32
w RBC Int'l Capital Fund + $ 53.23
d RBC Mngd Currency Fd + $ 43.27
d RBC North America Fd + $ 15.71 *
SAFRA REPUBLIC HOLDING
w Republic (Gnsey) $ Inc Fd $ 9.72
w Republic Gam Fund $ 104.53
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
w Equity Int'l Acc $ 13.33
w Equity Int'l Inc $ 11.51
w Equity Global $ 1.26
w Equity Far East $ 2.20
w Equity Gold $ 0.78
w Equity Japan Y 123.00
w Equity Nordic $ 1.40
w Equity U.K. £ 1.33
w Equity Continental Europe $ 1.23
w Equity Mediterranean $ 1.00
w Equity North America $ 1.47
w Bond Int'l Acc $ 9.52
w Bond Int'l Inc $ 6.85
w High Income Acc $ 1.32
w High Income Inc $ 0.98
w Bond Sweden SKr 12.70
w Bond DEM DM 0.99
w Bond Dollar $ 1.12
w Multicurrency $ 1.26
w Enskilda Int'l Bond $ 101.80
SOCIETE GENERALE GROUP
d Asia Fund $ 392.35
d Btw Category A $ 14.74
d Btw Category B $ 31.94
SOGELUX FUND (SF)
w SF Bonds A U.S.A. $ 13.08
w SF Bonds B Germany DM 24.46
w SF Bonds C France FF 97.07
w SF Bonds D Switz. SF 21.36
w SF Bonds E G.B. £ 9.51
w SF Bonds F Japan Y 1687.00
w SF Bonds G Europe Ecu 13.64
w SF Bonds H World Wide $ 13.39
w SF Bonds J Belgium BF 634.80
w SF Eq. K North America $ 13.68
w SF Eq. L W. Europe Ecu 13.37
w SF Eq. M Pacific Basin Y 1436.00
w SF Eq. N France FF 70.68
w SF Eq. P Growth Countries $ 12.67
w SF Eq. Q Gold Mines $ 11.16
w SF Eq. R World Wide $ 12.58
w SF Short Term S France FF 132.26
w SF Short Term T Eur. Ecu 13.19
SOGELUX INDEX FUND (SIF)
w S.I.F. France Capital FF 1086.14
w S.I.F. France Distrib FF 1004.14
w S.I.F. GB Capital £ 119.41
w S.I.F. GB Distrib £ 119.41
w S.I.F. Japan Capital Y 13089.00
w S.I.F. Japan Distrib Y 13089.00
w S.I.F. US Capital $ 173.62
w S.I.F. US Distrib $ 173.62
w S.I.F. World Capital $ 136.10
w S.I.F. World Distrib $ 136.10
SODITIC ASSET MANAGEMENT INC.
w SAM Diversified Inc $ 111.60
w SAM Strategy Inc $ 97.88
SVENSKA HANDELSBANKEN S.A.
146 Bd de la Petrusse, L-2330 Luxembourg
w Neptune Maritime Fund $ 8.18
b SHB Bond Fund $ 48.83
w Svenska Sel. Fd Amer Sh $ 12.90
w Svenska Sel. Fd Germany DM 9.10
d Svenska Sel. Fd Int'l Bd Sh $ 11.20
w Svenska Sel. Fd Int'l Sh $ 48.88
w Svenska Sel. Fd Japan Y 502.00
w Svenska Sel. Fd Nordic Sh $ 10.84
d Svenska Sel. Fd Pacif Sh $ 4.77
d Svenska Sel. Fd S/T Agg Sh $ 10.54
d Svenska Sel. Fd Swed Bds SKr 1075.36
SWISS BANK CORP. (Issue Prices)
d SBC MMF - C$ C$ 4020.64
d SBC MMF - DFL Fl 6031.67
d SBC MMF - Ecu Ecu 2995.63
d SBC MMF - FF FF 20116.29
d SBC MMF - Lit Lit 4022823.00
d SBC MMF - £ £ 2301.75
d SBC MMF - SF SF 5024.19
d SBC MMF - US - Dollar $ 6585.68
d SBC MMF - Yen Y 541291.00
d SBC Euro stock Ecu 162.80
d SBC Str Bond A $ 1082.50
d SBC Str Bond B SF 1126.34
d SBC DM Short A/B DM 1071.45
d SBC 100 Index Fund SF 1132.00
d America Valor $ 382.38
d Anglo Valor £ 193.47
d Asia Portfolio SF 574.85
d Convert Bond Selection SF 97.11
d D-Mark Bond Selection DM 107.87
d Dollar Bond Selection $ 136.59
d Ecu Bond Selection Ecu 100.35
d Florin Bond Selection Fl 112.93
d France Valor FF 1453.97
d Germania Valor DM 449.40
d Gold Portfolio SF 382.30
d Iberia Valor Pta 46463.00

d Ital Valor Lit 389728.00
d Japan Portfolio Y 29357.00
d Sterling Bond Selection £ 108.04
d Sw. Foreign Bond Selection SF 102.34
d Swissvalor SF 384.25
d Universal Bond Selection SF 77.75
d Universal Fund SF 108.77
d Yen Bond Selection Y 10906.00
T. ROWE PRICE ASSOCIATES INC.
m T. Rowe Price Frontier Ltd $ 9.88
TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1 $ 9.65
d Class A-2 $ 10.85
d Class A-3 $ 10.22
d Class B-1 $ 9.47
d Class B-2 $ 10.67
INCOME PORTFOLIO
d Class A $ 10.18
d Class B $ 10.13
TERMINVEST Tel : 46.76.93.89
m Dual Futures Fd Cl D Units $ 107.72
m Galaxy Futures Fund Ltd $ 109.18
THORNTON MANAGEMENT Ltd
d Pacif Invt Fd SA £ £ 9.95
d Pacif Invt Fd SA DM DM 29.26
d Pacif Invt Wrnt Fd SA £ £ 4.95
d Pacif Invt Wrnt Fd SA DM DM 14.55
d Eastern Crusader Fund $ 8.37
w Global Access Fund $ 9.88
d Thornton Int'l Opp. Fd $ 7.63
d Thornton HK Gateway Fd $ 18.11
d Thornton Japan Fund Ltd $ 26.98
d Thor. Lmt Dragons Fd Ltd $ 21.46
d Thornton Orient Inc Fd Ltd $ 21.92
w Thornton Phil. Redev. Fd $ 28.14
w Thornton Tiger Fd Ltd $ 31.33
NEW TIGER SEL. FUND
d Thailand $ 8.12
d Malaysia $ 9.79
d Indonesia $ 6.63
UEBERSEEBANK Zurich
d B - Fund SF 1083.65
d E - Fund SF 550.40
d J - Fund SF 370.81
d M - Distribution SF 98.72
d M - Fund SF 1085.21
d UBZ Euro-Income Fund SF 9.96
UNION BANK OF SWITZERLAND
d Amca American Shares SF 43.25
d Bond-Invest SF 67.25
d Brit-Invest Shares SF 804.50
d D-Mark-Invest Bonds DM 201.90
d Dollar-Invest Bonds $ 116.28
d ESPAC Spanish Shares SF 198.00
d Eurit SF 341.50
d Fonsa Swiss Shares SF 216.00
d Francit Shares SF 195.50
d Germac Shares SF 228.50
d Globinvest Shares SF 111.00
d Gold Invest Shares SF 206.00
d Holland-Invest Shares SF 244.00
d Itac Shares SF 198.00
d Japan-Invest Shares SF 1277.50
d Sima (stock price) SF 230.00
d Skandinavien-Invest SF 247.00
d UBS Money Mkt Invest $ 1049.93
d Yen-Invest Bonds Y 84089.00
UNIVERSAL GROUP OF FUNDS
d Universal Global C$ 6.09
d Universal Cdn. Equity C$ 10.31
d Universal Cdn. Resource C$ 4.27
d Universal American C$ 9.45
d Universal Pacific C$ 9.87
d Canada Guar. Mortgage Fd C$ 14.96

Other Funds
r Acticroissance FF 519.43
d Actifinance Int'l $ 1061.61
w Actifutures Ltd $ 1075.36
w Actigestion FF 1222.21
w Activest Int'l $ 27.55
w Aquila International Fund $ 248.09
b Ariane $ 4076.79
d Asia Oceania Fund $ 9.41
m Associated Investors Inc. $ 804.34
b Atlantic Fund $ 76.58
r Australia Fund $ 18.09
w Balfour Maclaine Series 1 $ 975.67
w BDD Inv Fund-Ecu Bd Ecu 5434.82
w BEM International $ 6.78
w Bondselex-Issue Pr. SF 107.35
m Cal Futures 1990 Fd Ltd $ 24.95
d CB German Index Fund DM 122.80
w CMI Investment Fund $ 1435.80
d Colbert Croissance FF 73.28
d Colbert Finances FF 119674.85
d Colbert Tresor FF 1228.50
w Convert. Fd. Int'l A Certs $ 17.31
w Convert. Fd. Int'l B Certs $ 68.83
w Cumber Int'l N.V. $ 242.80
d D. Witter Wld Wide Ivt Tst $ 25.89
w D.G.C. $ 214.07
w Daiwa Japan Fund Y 7786.00
d Dreyfus America Fund $ 19.98
w Dumelux Amerique $ 1034.32
w Dumelux Asie Pacifique $ 1034.32
w Dumelux Bonds Plus $ 952.91
w Dumelux Europe Ecu 1064.15
w Dumelux France FF 4275.28
w Dumelux Opportunit $ 1034.32
m Dumenil Arbitrage Fd NV $ 772.98
w Eqs Overseas Fund Ltd $ 1202.80
d Emi Belg. Ind. Plus A BF 8449.00
d Emi Belg. Ind. Plus B BF 8449.00
d Emi France Ind. Plus A FF 843.80
d Emi France Ind. Plus B FF 843.80
d Emi Germ. Ind. Plus A DM 88.63
d Emi Germ. Ind. Plus B DM 88.63
d Emi Spain Ind. Plus A Pta 9718.00
d Emi Spain Ind. Plus B Pta 9718.00
d Emi UK Index Plus A £ 104.44
d Emi UK Index Plus B £ 104.44
m Enigma Currency Fd $ 25.53
w Espir. Sto Inv M Ecu Bd Fd Ecu 101.43
w Espir. Sto Inv M Sth Eur Fds $ 9.13
w Esprit Sicav Ecu 1213.79
w Eurosud FF 1008.91
d Europe 1992 $ 9.63
d Europe Obligations Ecu 80.37
w European Futures Ltd $ 4813.40
w F.I.T. Fund FF FF 123.89
w F.M.P. Portfolio $ 0.5381
w Fairfield Int'l Ltd $ 164.75
w Fairfield Sentry Ltd $ 228.05
w Fairfield Strat. Ltd $ 65.15
m Fatum Fund $ 771.29
w First Eagle Fund $ 39664.15
w First Ecu Ltd Ecu 97.06
m First Frontier Funds $ 69.73
w FL Trust Switzerland SF 98.78
d Fonditalia $ 77.66
w Fonselex Issue Pr. SF 134.59
d Force Cash DM Sicav DM 5319.30
d Force Cash Ecu Sicav Ecu 2719.69
d Forexfund Limited $ 8.89
w Formula Selection Fd SF 66.52
d Frankl-Trust Effekten Fd DM 158.79
d Frankl-Trust Interzins DM 40.22
m Gams Progressive Fd Ltd $ 1182.73
w George V Inv. Bond F. $ 21.41
m German Sel. Associates DM 1704.62
d Green Line France FF 646.48
w Hasenbichler Com AG $ 1517.00
w Haussmann Hldgs. N.V. $ 374.23
d Henisch T.F. SF 10153.00
w Hestia Funds $ 160.48
w Horizon Fund FF 10740.28
w Ibex Holdings Ltd SF 187.92
w IFDC Japan Fund Y 29034.00
r ILA-IGB $ 1.55
r ILA-IGS $ 9.94

w Infinity Fund $ 105.3026
r Int'l Securities Fund Ecu 27.83
m Interface Fund Ltd $ 156.52
d Interfund SA $ 42.74
w Intermarket Fund $ 487.88
w Intersec SA $ 3482.17
d Investa DWS DM 22.86
d Investor Fund $ 187.18
m J Capel Guaranteed Fund $ 9.98
w Japan Pacific Fund $ 217.98
m Japan Selection Asses. Y 9935.00
m Japan Selection Fund $ 236.67
d JJ Placement FF 13038.28
w JWH Worldwide Fund $ 7.83
d Kenmar Guaranteed $ 9.25
w Kenmar Int'l - B $ 10500.00
d Kenmar L/P $ 8.14
m Key Hedge Fund Inc $ 114.73
d KML-II H. Yield $ 395.86
w Korea Growth Trust $ 32.57
w LACO International $ 5.31
w Leumi Vol. Francaises FF 912.23
m London Portfolio G'td. I $ 80.71
m London Portfolio G'td. II $ 8.30
m London Portfolio Services $ 18.37
w Luxfund $ 182.90
m Lynx Sel. Holdings SF 122.20
w M I Multi-strategy $ 1036.55
w M.Kingdon Offshore. N.V. $ 8.04
m Maritime Fund Int'l Ltd $ 894.19
w Mat Growth ESCF DM 19.70
w Mat Growth USCF $ 11.48
w Matterhorn Offshore Fd $ 9447.82
w MBE Japan Fund LF 2214.00
m MCM Int. Limited $ 158.80
d Mediolanum $ 36.96
w Moore Global Invts. Ltd $ 2143.61
d NCA Fund $ 10.32
w Nippon Fund $ 109.80
d NM Inc. & Growth Fund $ 17.25
m NMT Asian Sel. Portfolio $ 194.53
m NMT Citadel Bond SF 118.57
m NMT Nastec Portfolio $ 136.13
d Nomura-Cap Int'l Eq Fd $ 14.89
w Novaeuropa Ecu 2833.37
m NSM Invest. Ltd. Senso SH $ 18.52
m NSM Invest. Ltd. Tetryx SH SF 10.17
m NSP F.I.T. Ltd $ 10.37
m Oppenheimer U.S. Arb. $ 135.36
w Optimum Fund $ 1403.49
m Overlook Performance $ 1541.85
d Pacific Nles Fund $ 6.80
d PAM Futures Trust $ 368.42
w Pancurri Inc. $ 142.97
m Paragon Fund Limited $ 10.39
w Plurigestion FF 99.78
w Plurivest International FF 172.24
d Precision Fd Ltd $ 76.93
d Profirent S.A. DM 1098.15
w Prosp. I.H. Inc. P.F. $ 3.89
w Puget-Mahe Barclays Pac. $ 158.37
w Putsac LDC Debt Fd $ 116.6721
w Quantum Fund N.V. $ 14883.24
m Quark Int'l Trad Prog. $ 9879.807
w Quasar Fund N.V. $ 111.08
d SAGA Court Terme FF 1264.45
d SAGA France FF 450.09
d SAGA Long T. Capital FF 3164.89
d SAGA Perspectives FF 1869.34
d SAGA Premiere FF 1247.83
w Sailor's Int'l Equity Ecu 1015.15
w Sailor's Int'l Fixed Ecu 1015.52
w Samurai Portfolio SF 296.50
d Sanyo Kle. Spain Fd $ 9.81
d Sarakreek Holding n.v. $ 16.10
d Saturn Fund $ 1090.29
d SCI / Tech. SA Luxembourg $ 17.82
m Scimitar Guar. Carr Fd $ 9.54
m Scimitar Guaranteed $ 8.32
w Securefund 2000 Ltd $ 8.55
m SLH Guar. F.F.I. $ 1122.74
w SP International SA $ 6484.37
d Strat. Int'l Gold Fund SA $ 6.94
m Sussex McGarr $ 1634.00
w Techno Growth Fund SF 53.47
d Templeton Global Inc $ 9.47
d The Petrus Fund Ltd $ 1.07
w Thema M-M Futures $ 914.32
m TTIC (OTC) Jap. Fd Sicav $ 14.71
w Transpacific Fund Y 26457.00
d Triton Offshore Class A $ 221.34
d Triton Offshore Class B $ 208.35
d Tudor B.V.I. Futures Ltd $ 8713.23
d Turquoise Fund $ 192.06
m Tweedy Browne (UK) n.v. $ 1325.82
w Tweedy Browne n.v. Cl A $ 2871.16
w Tweedy Browne n.v. Cl B $ 1765.49
d Uni Bond Fund Ecu 1747.57
r Uni Capital Fund Ecu 1238.08
d Unico Equity Fund DM 82.77
d Unico Inv. Fund DM 70.96
m Unifrad SUS $ 1094.79
m Unifrad FF FF 11437.93
m Unifrad SF SF 1124.18
d Univers Bonds DM 147.99
w Ursus Int'l Ltd $ 8671.00
w Vanderbilt Assets $ 16.78
m Victor Futures Fund $ 218.60
w Willer Asian Fond $ 10.47
w Willerbond Capital $ 14.04
d Win Global Fd Bd Ptfl Ecu 104.98
d Win Global Fd Eq Ptfl Ecu 111.78
d Win Global Fd Res. Ptfl SF 207.15
d World Balanced Fund S.A. $ 12.34
w Worldwide Securities $ 40.54
w Worldwide Special $ 870.34
m Zweig Int'l Ltd S/S $ 12147.00

To our fund listers

Both the fax and telex numbers for updating funds prices have changed. Please now send these to: Fax (33-1) 40 28 07 77 Tlx 215 326 (MPAL F).

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p - pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; ++ - Paris exchange; +++ - Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

For information on how to have your fund listed, fax Simon OSBORN on (33-1) 46 37 52 12.

هكذا من الأصل

The Bulli

By David C. Lanchner

BRIEFCASE

U.S. Insurers Dow
Amid a Confidence

Group Offers Stra
On U.S. Mutual F

A Hot New

By Robert C. Siner

هكذا من الأصل

The Bullish Case for European Stocks

By David C. Lanchner

IS a unified Europe just a pleasant, impractical idea, or is it time for investors to take a stake in what could be the world's most powerful trading block? The prospect of economic slowdown, tied to mounting costs for German union and a strong dollar, is clouding the outlook for Europe's stock markets and dividing opinion among professional and amateur investors alike.

Andrew Christensen, a mutual fund manager at James Capel in London, is an optimist, despite the tough time investors in Europe have been having. Although the typical European stock fund is up about 10 percent since January for investors based in European currencies, on a 12-month basis the funds remain about 16 percent in the red. For dollar-based investors the roughly 300 funds specializing in Europe are down a depressing 22 percent for the year, according to Micropal Statistics.

"Now may be the time for investors to start coming back," said Mr Christensen. He said he believed that only certain Far East portfolios will outperform pan-European funds in coming months.

Optimists said that Continental stocks are cheap relative to prices paid in the U.S. market and that most European firms are far less indebted. "Cheap values and healthy bottom lines mean that if there is no Continent-wide recession, stocks will rise sharply from current levels," said James Anderson, the Edinburgh-based manager of the Baillie Gifford Europe fund, the second-best performing European portfolio over the past three years.

Out of the 10 top funds specializing in Europe over the past three years, only Mr. Anderson's portfolio and the fifth-ranked, U.K. based Baring European Growth fund, managed by Crispin Odey, have put in above-average performance for both the past 12 months and since the start of 1991.

Some analysts argued that above-average performances have come from managers who concentrated on finding cheaply priced stocks, and who made a quick switch into mainstream blue chips when markets started going bad in the second half of last year. These stocks declined less in last year's bear market and have been the main beneficiaries of this year's post-Gulf war rally.

"In the current rally, anyone who has not been in large mainstream stocks has been crucified," said John Armitage, manager of Morgan Grenfell's European Growth fund. That investment trust, or closed-end fund, remains the top-ranked European fund on a three-year basis despite a performance that has been well below average for the past year.

In sharp contrast to Mr. Christensen and Mr. Anderson, Mr. Odey said European equity markets may languish in the short term. "Unfortunately, Europe is still a spill-over market for other people's money," he said. "Thirty-four percent of Europe's stockholders are foreigners and with the U.S. looking like it has turned the corner toward recovery and Japan showing signs its stock market has bottomed, Continental stocks may wind up being neglected."

High interest rates, averaging nearly 9 percent across Europe, also are making it difficult for companies to borrow money and expand.

As a result, Mr. Odey has begun diversifying out of stocks, putting 8 percent of his holdings in French long bonds. Interest rates are particularly high in France while inflation is particularly low, which has led to speculation that the bond market will rally later this year.

Another top manager restructuring his portfolio in anticipation of poor results from most European stock markets is Jan Mantel of Barclays Euro-Equity fund. The manager of the third-best performing European fund on a three-year basis is buying stocks with significant dollar exposure. Both corporate earnings in the United States and the dollar are likely to rise with any economic recovery, he said.

Among major European markets, Spain generally draws the least enthusiasm from managers, who feel financial reporting could be improved. Others shy away from Britain on economic grounds.

Another common characteristic is the professionals' belief in Germany. Mr. Anderson has 43 percent of his portfolio in Germany, Mr. Odey has 38 percent invested there, while Mr. Mantel has 28 percent in German stocks. These are the managers' largest allocations to any European market.

"All the things that have investors worried about Germany — a swollen state budget, higher taxes, inflation, unemployment in the East, etc. — can be looked at in a positive light," Mr. Anderson said. "The pain Germany is willing to endure shows its commitment to a complete restructuring of its Eastern states. If you believe the nation ultimately has the resources to make over the industrial base you have to be bullish about the country's prospects."

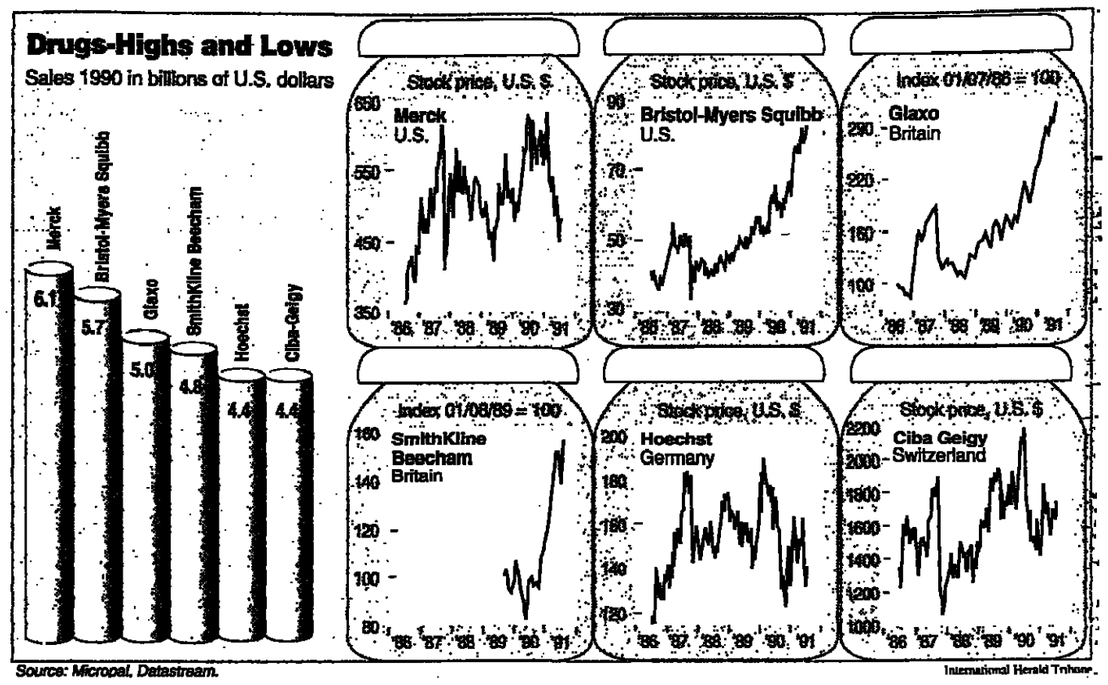
Mr. Anderson and other managers are concentrating their investments in construction and retail stocks. "There is still an enormous demand for western goods in Eastern Germany and massive construction projects are already underway in the new states," Mr. Odey said.

Mr. Anderson and Mr. Odey also said the Italian market could outperform the European average. "The stock market is exceptionally cheap with many stocks selling near 10 times earnings and it has not seen a really good year since 1986," Mr. Odey said.

Top Performing European Mutual Funds

Fund	Domicile	Performance
Over Three Years		
Morgan Grenfell Growth	UK Unit Trust	178.00
BG Europe	UK Unit Trust	165.98
Barclays (Lux) Euro-Equity	Luxembourg	165.83
Fidelity European	UK Unit Trust	159.06
Baring European Growth	UK Unit Trust	157.51
Lazard European Growth	UK Unit Trust	156.35
Perpetual European Growth	UK Unit Trust	156.22
Abtrust European	UK Unit Trust	154.47
Over One Year		
European Income Fund RCP	Luxembourg	98.67
Bell Court UK & European	UK Unit Trust	97.60
Bil. Europe Growth All Markets	Luxembourg	96.18
Norwich Pan European	UK Unit Trust	93.51
Ecu Fund Actions (m)	Luxembourg	93.26
Esprit	Offshore Terr	91.17
BNP Intr-Str Eur du Nord	Luxembourg	91.05
MGM European Growth	UK Unit Trust	89.94

Source: Micropal. All figures are percentage changes in U.S. dollar terms.



Source: Micropal, Datastream. International Herald Tribune

Drug Stocks Find It Hard to Stay at Top

By Susana Antunes

DRUG companies' relative immunity from recession has served investors well over the past year or two — the industry has consistently pushed profits up by an average 15 percent a year, and share prices have grown strongly. But now that attention is beginning to focus on cyclical recovery plays, pharmaceutical stocks are threatened with a period of relative underperformance.

Some analysts believe outperformance in the short term is possible. Although the United States seems to be coming out of recession and Britain looks set to follow, many European economies are further behind in the recessionary cycle. Mark Tracy, pharmaceuticals analyst at Paribas in London, believes there is scope for European stocks like Ciba-Geigy AG and Roche Holding Ltd. of Switzerland and Sanofi of France to continue trading at a premium to their domestic markets through the first quarter next year, at which stage cyclical stocks are likely to catch up.

On a longer term view, drug stocks are not suddenly going to lose their growth status — indeed, the shares could quickly rebound if economic recovery proves as anemic as some analysts now predict. But individual stock selection will be important, thanks to a variety of pressures bearing down on the industry which could limit the scale of earnings growth.

A principal source of concern is increasing governmental pressure to contain drug price increases. Spiraling health-care costs have led governments in the world's major markets to institute a variety of controls, ranging from direct price control in France and Italy to a system of regular price cuts in Japan and profit control in Britain.

Developments in the United States, however, are proving the most worrying. As the world's biggest single market, it has also been the only major free market and the source of much of the industry's price-related growth in the 1980s. Health-care spending in the United States has risen rapidly to 11 percent of gross national product in 1990 and is forecast to grow to 20 percent by the year 2000. Legislation has already been introduced to control prices in the Medicaid sector, the government-funded program for the poor. With presidential elections now on the horizon, the cost of health care is expected to become an important issue and the industry is bracing itself for an active review of health-care issues.

On the other hand, it would be fair to say that pricing pressures are nothing new for the industry and that in any case, those with unique products will always command premium prices. Paul Krikler, analyst with Goldman Sachs, said, "Price pressures are certainly increasing. However, those which can produce innovative products will always gain higher prices, and it will differentiate those companies in terms of earnings growth."

The need to develop new products to maintain the growth momentum is placing enormous strain on companies' research and development bill, however. On average, this now accounts for the equivalent of 15 percent of sales.

Meanwhile patents, which grant marketing exclusivity to the owners of new drugs, are getting shorter as the development time increases. Technically, patents last for 20 years, but because they have to be taken out as soon as the product is identified, they effectively have a life span of eight to 10 years.

In the next five years, more big selling drugs will lose their patent protection than in the past five years, according Ian White of Kleinwort Benson in London.

"Some companies will see between 10 and 20 percent of their drugs coming off patent, ranging to as much as 80 percent at the other end of the scale. It's certainly an important consideration," he said. For many of them, maintaining their growth rates rests on their ability to keep new products flowing into the market.

Typically sales of any one drug fall by 50 percent over the two years following the loss of patent protection as copycat or "generic" drugs flood the market. Meanwhile, over-the-counter drugs, which do not require prescriptions, are also growing strongly.

The pharmaceutical majors are already facing the challenge of a market some analysts say will grow at a less robust 10 percent a year to the end of the decade. Some companies are choosing to enter the OTC market by acquisition — Roche, for example, recently acquired Nicholas labs from Sara Lee Corp., and Merck & Co. has entered into a joint venture with Johnson & Johnson. Others, like SmithKline Beecham PLC and Bayer AG, already have a strong tradition of selling direct to the consumer.

Prescription brands will continue to be the money spinners, however, and the industry's energies and resources will continue to focus on new products. A wave of mergers, acquisitions and joint ventures in the industry is proving a viable method of maintaining the research and development momentum and maximizing the marketing and distribution strength.

SmithKline and Beecham's merger in 1989 has fulfilled its promise with big cost and efficiency gains, which are expected to continue for at least another couple of years.

The flow of merger deals, however, does now seem to be slowing down. Last year there were only two very large acquisitions — Roche's $2.1 billion takeover of Genetech Inc. and Rhône-Poulenc SA's $3.3 billion deal with Rorer Group Inc.

The pressures facing the global drugs industry certainly cannot be shrugged off, but neither will they wipe out the potential for above-average growth.

BRIEFCASE

U.S. Insurers Downgraded Amid a Confidence Crisis

The crisis of consumer confidence in some U.S. insurers translated into a more hard-headed reality this week when the credit assessment agency, Moody's Investors Service, downgraded its risk assessment of six major American insurance companies.

John Hancock Mutual Life Insurance, Massachusetts Mutual, Principal Mutual, Mutual Life Insurance Co. of New York, Travelers' Insurance and New England Mutual Life Insurance all had generally excellent credit ratings eased back a little by Moody's. That means, broadly speaking, the agency is a little less confident of the insurers' abilities to pay claims.

The insurers argue that the crisis of confidence has fed upon itself. If a large number of policyholders rush to cash in their policies at the same time, they can create a cash-flow problem for the insurance companies. Despite concern over regulation of the companies, consumers have not as yet lost any money.

Group Offers Straight Facts On U.S. Mutual Fund Sector

Investors who want to do their own research into mutual funds can start by getting the basic facts right.

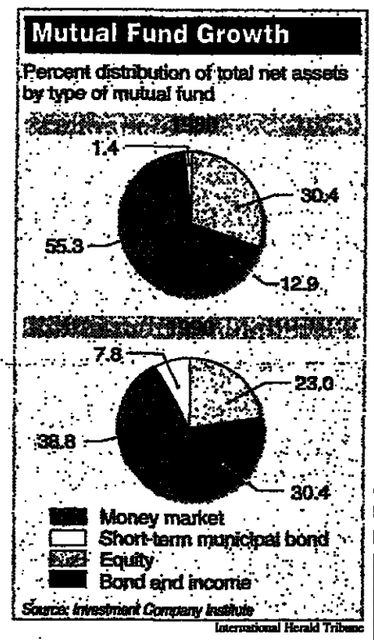
The Investment Company Institute, the trade association for the U.S. mutual fund industry, has just published its new fact book. This includes explanations of the industry's history and growth — its assets have now risen above $1 trillion — plus a glossary of the technical terms used in the mutual fund industry.

The book may be ordered by sending a $15 check to the IIC, 1600 M Street N.W., Washington, D.C. 23006.

As 1993 Nears, Housing Is Fractured Market In Europe

The cynics who believe that the single European market, due at the beginning of 1993, will start out as a myth rather than a reality will find ammunition for their argument in a review of the European housing market produced by the Woolwich Building Society, a major British thrift institution.

Owner occupation rates range from 74 percent in Ireland, to 51 percent in France and to just 42 percent in Western Germany. There is also a huge variety of methods of funding property purchase, which tends to emphasize the separateness of each country's residential property market.



International Herald Tribune

A Hot New Market — In U.S. Residency Visas

By Robert C. Siner

WHAT price U.S. nationality? A limited number of foreigners will soon be able to buy permanent resident visas, the first and most difficult step toward U.S. citizenship.

The Immigration Act of 1990, which takes effect this October, sets aside 10,000 permanent resident visas "for foreigners who invest substantial capital in a new commercial enterprise." Substantial capital is defined as $500,000 for "targeted employment areas" (rural areas or those with an unemployment rate that is 1½ times the national average) and $1 million anywhere else. In addition, the enterprise must create a least 10 new jobs for American workers.

While the United States has long recognized (as do many other nations) that foreigners who invest heavily should get special consideration when seeking permanent resident status, there was no mechanism to bring this about.

According to an Immigration and Naturalization Service spokesman, foreign investors seeking permanent resident visas would be considered only for "surplus" visas — those left over after other categories of applicants had been taken care of. There have not been any surplus visas for the past 30 years, the spokesman added.

Of the 650,000 permanent resident visas issued each year, 520,000, or about 75 percent, are reserved for "family preference visas" — close family members of U.S. citizens. Others are reserved for emigrants sponsored by employers who are guaranteed work when they reach the United States.

The new law provides an alternative, albeit a limited one, for those foreigners who do not have relatives or jobs here and cannot claim political asylum.

According to Richard Kenney of the Immigration and Naturalization Service, those applying for this type of visa will have to show proof that the minimum investment has really been committed and the requisite jobs created. They also must show that the enterprise has been in existence for at least two years.

He said that although the enterprise could be set up by a group of investors, each individual would have to meet the criteria to qualify for a permanent resident visa.

In other words a group of 10 investors would have to put up at least $10 million and create 100 jobs for all of them to receive visas.

He also said that the visas would be given to the investor and his immediate family only — a spouse and minor children (unmarried children under 18 years of age.)

The visa gives the investor and his family the right to reside permanently in the United States. To become a U.S. citizen he must fulfill the naturalization requirements as would any other immigrant. He must live in the United States for five years, learn English and show "good moral character."

The United States is not alone in allowing foreigners to effectively buy citizenship. Many other countries have similar rules. In fact, those of more limited means might consider Canada. A permanent resident alien visa there goes for only 250,000 Canadian dollars ($217,000).

Those without the financial resources are not totally out of luck. The immigration law sets aside 120,000 visas based on job-related skills: Members of professions and those performing labor for which qualified workers are not available in the United States.

This category includes 40,000 visas for those aliens described as having extraordinary ability in the sciences, arts, education, business, athletics or professors and researchers with at least three years of experience.

Another 40,000 visas are available for those who are members of a profession requiring an advanced degree or its equivalent. The remaining 40,000 are set aside for those who perform skilled labor or are in a profession for which an advanced degree is not required (such as nursing).

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SPORTS

Twins' Erickson Racks Up No. 14, Tops in Majors

Compiled by Our Staff From Dispatches

The maturity that pitcher Scott Erickson exhibits can make it easy to forget he's just 23 and in his first full year in the major leagues.

The Minnesota Twins beat the Tigers, 9-3, Thursday night in Detroit as Erickson retired nine of the last 10 batters he faced after loading the bases with two out the third inning. Detroit scored two runs in the third.

"He started being a pitcher after the third inning," said Tom Kelly, Minnesota's manager. "He was a thrower until then. Once in a while we have to remind him to calm down and keep pitching, but remember, he's still young."

Becoming the majors' first 14-game winner of 1991, Erickson allowed six hits, three runs, two earned, walked four and struck out two.

"I was rushing things a little in the early innings, but once I corrected the mechanics, I was O.K.," said Erickson, making his third start since coming off the disabled list on July 15. He had gone out with a strained right elbow.

Dan Gladden delivered a two-run single in the second inning and doubled home two runs in the fourth to break a 3-3 tie. Kirby Puckett and Greg Gagne added three hits apiece for the winners.

Indians 8, Athletics 7: Pinch-hitter Jerry Browne hit a two-run home run off Dennis Eckersley to cap a four-run eighth inning as Cleveland beat visiting Okaland.

Eckersley blew a save for the fifth time in 29 opportunities this season. H has come up short three times against the Indians.

Eckersley entered the game with a 7-4 lead and runners at second and third with two outs in the eighth. Mike Aldrete's bad-hop single scored two runs and Browne followed with his first home run of the season, ending the A's three-game winning streak.

"It's a great win for them, but it doesn't come close to the kind of loss it was for us," Eckersley said. "I just feel so responsible."

Orioles 8, Angels 4: Mike Devereaux homered and drove in two runs in Baltimore, which won its first series in July. California has lost 13 of its last 17 games.

White Sox 7, Blue Jays 1: Ron Karkovice drove in three runs with a double, and knuckleballer Charlie Hough ended a personal three-game losing streak with his 101st career complete game as Chicago breezed past visiting Toronto.

Mariners 6, Yankees 3: Jay Buhner hit a 492-foot (150-meter) homer over the left-field bullpen in Yankee Stadium and Harold Reynolds had a go-ahead two-run single in the fifth inning.

Royals 2, Brewers 0: Todd Benzinger drove in his ninth run in three games, leading Kansas City over visiting Milwaukee.

Dodgers 5, Phillies 0: In the National League, Los Angeles scored all its runs in the eighth to win in Veterans Stadium. Kal Daniels' third hit of the game drove in a run and ignited the rally.

Giants 8, Mets 1: Trevor Wilson gave up one run in eight innings and hit his first career homer as San Francisco beat visiting New York for its fifth straight victory and a three-game series sweep.

The Mets' Wally Whitehurst, down by 3-0 before getting an out, was struck in the upper right thigh by Kevin Mitchell's line drive and had to leave after 4⅓ innings.

Cubs 5, Reds 4: Right fielder Glenn Braggs dropped Andre Dawson's fly ball with two outs in the 13th, allowing Mark Grace to score the game-winning run in Chicago.

Rick Wilkins opened the bottom of the inning with a single, and Chico Walker singled with one out to send pinch-runner Jose Vizcaino to third. Grace hit the ball back to pitcher Tim Layana, who threw to second for a force but the relay from shortstop Luis Quinones was wide as Vizcaino scored the tying run. Ryne Sandberg walked and Dawson then lifted the fly that Braggs dropped.

Padres 6, Expos 5: Bip Roberts's first homer of the season, a two-run shot with two outs in the ninth, lifted San Diego at home.

The two-run homer off relief pitcher Barry Jones ruined Ron Darling's bid for his 100th career victory and first as an Expo since being acquired on July 15 from New York for Tim Burke. *(UPI, AP)*

BASEBALL ROUNDUP

Steeler Tries Suicide After Steroid Test, Report Says

The Associated Press

PITTSBURGH — Pittsburgh Steeler guard Terry Long was treated in a hospital after an apparent suicide attempt following his positive test for steroid use, The Atlanta Journal-Constitution reported Friday.

The newspaper said that Long, 32, was admitted to the emergency room at Allegheny General Hospital in Pittsburgh after ingesting what a law-enforcement source described as rat poison. The source, who wasn't identified by the newspaper, had police reports about Long and said, "I don't think there's any doubt whatsoever Mr. Long made an attempt on his life."

Long didn't appear to be in a life-threatening situation, the Journal-Constitution said. In a statement, the Steelers said Long was in a Pittsburgh hospital, but didn't say which one or why.

The Pittsburgh Press reported that Long had started a car in a closed garage at his home Wednesday afternoon when he was confronted by his girlfriend. While she was calling for help, he went to another part of the house and swallowed the poison, The Press said.

The Journal-Constitution, Pittsburgh Post-Gazette and two Pittsburgh television stations reported that Long had failed an National Football League test for anabolic steroids. The Steelers and an NFL spokesman declined to discuss Long's drug test.

■ Gastineau Being Sought

The police said they were seeking former New York Jet defensive end Mark Gastineau after tests disclosed that a package he allegedly picked up at an airport contained amphetamines, The Associated Press reported from Phoenix, Arizona.

A Phoenix police spokesman, Kevin Robinson, said, "There is a likelihood Gastineau would be charged with possession of dangerous drugs, which is a Class Four felony, if located."

● Rocket Ismail gained 147 yards for the Argonauts in their 30-16 Canadian Football League victory over Winnipeg in Toronto on Thursday night. The former Notre Dame star caught two passes for 43 yards and ran back three kickoffs for 67 yards.

SIDELINES

12 Sellouts Already for Albertville

ALBERTVILLE, France (IHT) — Five weeks after individual tickets went on sale for the 1992 Winter Olympics, the organizing committee here reported that 12 events — including the opening ceremonies, ice hockey final, men's downhill and giant slalom, and women's figure skating free program — have been sold out.

In addition, the ice dancing and pairs figure skating free programs, a figure skating exhibition, the freestyle skiing aerials final and three sessions of the speed skiing have been sold out, the Comité d'Organisation des Jeux Olympiques said.

COJO said it was "looking into technical means" of increasing the seating capacity of the stadiums for the ice hockey in Méribel and the opening ceremonies and figure skating in Albertville. The Albertville facility has been scheduled for 30,000 seats and the Méribel hockey facility for 9,000. If seats are added, more tickets will go on sale, COJO said.

● Brasília announced Thursday it will enter a bid for the 2000 Summer Olympics, hoping to bring the Games to Brazil for the first time. (AFP)

Warriors' Draft Pick Selects Bologna

OAKLAND, California (UPI) — Shaun Vandiver, one of the Golden State Warriors' three first-round picks in last month's National Basketball Association draft, has signed a two-year contract to play with an Italian team.

Vandiver, a center from Colorado and the 25th pick overall, signed a two-year deal with Fortitudo of Bologna.

● Rick Mahorn, 33, on Friday signed a two-year contract in Rome with Il Messaggero. Mahorn played for Philadelphia last season. *(Reuters)*

Rugby Cup May Aid South Africa

SYDNEY (AFP) — The Australian Rugby Football Union wants a percentage of the surplus from this year's World Cup set aside to help the development of multi-racial rugby in South Africa, officials of the organization said Friday.

Joe French, president of the union, said he had made the request of organizers of the World Cup, which is being staged in Britain, Ireland and France in October and November.

● The newly formed South African Amateur Athletics Association will meet Saturday in Cape Town to discuss whether the nation should participate in next month's World Track and Field Championships in Tokyo. Some sports figures urge against South African participation, saying the black majority still may not vote, that the education system is segregated and that white athletes have superior coaching and facilities. *(AP)*

Lewis Chases Beamon in Italy

SESTRIERE, Italy (Reuters) — Carl Lewis said he would try to break fellow American Bob Beamon's 23-year-old long jump world record next week.

If he succeeds, Lewis said he would no longer compete in the long jump. The track meet in the high-altitude resort will be Wednesday, and Lewis has already arrived for training, organizers said Friday.

Lewis is unbeaten in the long jump for 10 years, but no one has ever come close to Beamon's record of 8.90 meters (29 feet 2½ inches) set at altitude in the 1968 Mexico City Olympics.

AS Roma Cleared for Home Match

GENEVA (AFP) — AS Roma will be able to play its European Cup Winners' Cup second leg match against CSKA Moscow on Oct. 2 in Olympic Stadium after all, UEFA ruled on Friday.

Soccer's governing body in Europe had barred the club from playing at home after crowd trouble during its UEFA Cup final second leg match against Inter Milan on May 22. But Friday, reduced the punishment to a fine of 150,000 Swiss francs ($98,000).

Quotable

● Tony Kornheiser, a Washington Post columnist, on soccer ranking 25th in fan interest among Americans, according to a Sports Illustrated poll: "So if the 1994 World Cup is hoping for some box office, they'd better package it with a U2 concert. Or free beer. Or amnesty."

The Trouble With Dibble: It's a Rerun

By George Vecsey
New York Times Service

NEW YORK — If the ball had been thrown by any other pitcher in baseball, we would not be having this discussion. But Rob Dibble threw the ball, and you know what happens when Rob Dibble gets his hand on a baseball.

Craziness happens. He threw a pitch behind Eric Yelding in April. He heaved a ball and hit a fan in the stands later that month. Now it's July and Dibble has hit a runner in the back of the leg.

The only question is intent. Bill White, the president of the National League, has a very fine Hiram College education, but Bill White is not a psychiatrist or a psychologist, and it is going to be very difficult for him to decide what was going on in the bizarre mind of Rob Dibble.

Vantage Point

If Dibble meant to hit Doug Dascenzo, then Dibble is a menace, and should not be in a Cincinnati uniform.

If Dibble didn't mean it, then all we have here is one for the videotapes, the goofy plays of the day, like the pitch that sailed into the luxury boxes or the pickoff throw that caught the first baseman yawning.

Which is it, doctor? Let's look at the facts. On Tuesday night (a night game at Wrigley Field, already a provocative act), Dascenzo laid down a perfect squeeze bunt, allowing Rick Wilkins of the Cubs to scamper home from third.

Dibble fielded the ball, knew he had no play at home, and ran a couple of steps toward the first-base line before planting himself and throwing down the line.

On replays, it certainly looks as if Dibble took dead aim at Dascenzo. Whatever the intent, the ball surely hit the runner in the back of the leg, and Dascenzo was safe.

The home-plate umpire, Joe West, was already having "a bad day, a real bad day" (as the Sissy Spacek character said in the film "Crimes of the Heart" when she explained why she shot her husband). An inning earlier, the umpire dealt with Andre Dawson's heaving a bunch of bats out of the dugout after a called third strike.

WOULD West have ejected any other Cincinnati pitcher on this play? Absolutely not. He would have said, "Nobody in his right mind goes around hitting a runner in the back of his leg." But this was Rob Dibble. And there is some question about Rob Dibble's mind.

Dibble has been acting out for a few years, intimidating hitters with his hard stuff, looking for trouble. While the Reds were en route to winning last year's World Series, he even tried intimidating the Cincinnati management, saying he wanted more money, and soon.

Pitchers usually know the limits. Just last Sunday, in Bob Ojeda's first appearance against his old team, the Mets, Ojeda's first pitch to Gregg Jefferies was a calling card, up and in, under Jefferies's chin.

Even if the umpire knew Ojeda doesn't like Jefferies from the last movie, the umpire couldn't quite nail Ojeda for the innocuous little buzzball.

Sometimes umpires are called upon to be mind readers. The pitch behind Yelding's head in April seemed so blatant that Dibble was tossed out of the game, and Dibble finally served his three-game suspension last weekend.

"It's ludicrous to think I'd come off suspension to do something to get suspended again," Dibble said Tuesday night. "It's ridiculous."

But is it? Near the end of April, Dibble struck a fan with a ball he had heaved. He is currently appealing a suspension for that obvious act, for which there can be no plea of "slipsies."

But Dibble insists he did not mean to hit Dascenzo, even though Dascenzo thinks he did. Dibble is not the first pitcher to do something weird with the ball in his hands.

Wednesday night, Erik Hanson of the Mariners forgot the basic play they practice every spring, and he threw behind a Yankee runner caught between third and home. Hanson's mental error touched off an epic three-run frolic.

PITCHERS hit runners in the first-base line all the time. Pete Richert is still waiting for the umpires to get it right about J.C. Martin's being in the wrong place in the 1969 World Series.

Associated Press

Dibble clowned two weeks ago, but few laugh now.

But was Dibble drilling a batter who was able to lay down a squeeze bunt against him? Could be. But Unless Dibble confesses, "I did it and I'm glad," Bill White is left with having to judge intent.

White can get out of it this way: He can tack the Dascenzo play on to the ball-heaving suspension, sit Dibble down for another long weekend, which the Reds cannot afford, and privately instruct Dibble to talk to somebody about the things he does with a ball in his hand. At the very least, a disturbing pattern is starting to develop.

BOOKS

WHEN THE BOUGH BREAKS: The Cost of Neglecting Our Children

By Sylvia Ann Hewlett. Illustrated. 346 pages. $22.95. Basic Books/HarperCollins, 10 East 53d St., New York, N.Y. 10022.

Reviewed by
Christopher Lehmann-Haupt

YES, another Cassandra come to warn us about what we are doing to the children. But Sylvia Ann Hewlett doesn't only wring our hearts. She tries to wring our pocketbooks as well. And she makes some very good sense.

Surveying the wreckage of the homeless poor and the untended rich, Hewlett points out some of the obvious landmarks. More and more American women are going to work these days, either out of financial need or in a search for psychic self-fulfillment. The consequences for their children, she insists, are often malign. While the children suffer this parental neglect, the state, in its rush to Reaganomics, has abdicated its responsibility to provide a safety net, she argues.

As an economist and a former director of a labor-management think tank, the Economic Policy Council, Hewlett has gathered persuasive evidence to back up her argument. The case she makes has dire implications. As the U. S. national work force shrinks, owing to the end of the baby-boom generation, employers are growing increasingly dependent on women and minorities. So we are caught in the proverbial vicious circle. In the short run, the problem of neglected children is exacerbated. In the long run, a weakened work force is less and less able to fill increasingly demanding jobs.

Hewlett has imaginative solutions to these problems. But they depend on reversing certain trends in contemporary American culture, and here her book gets into difficulty. She blames the declining status of our children on a national spirit of "Now-now-ism," an unwillingness to sacrifice for the future. She blames a new "therapeutic mentality," which "focuses on the self, rather than on a set of external obligations." She blames no-fault divorce laws that allow fathers too easily to escape support of their children. She blames the political right for overvaluing the family, and thereby denying its need for state aid. She blames the left for undervaluing the family, by putting too much emphasis on individual fulfillment.

All of which may be valid so far as it goes, but it doesn't go very far. By calling the search for self the "therapeutic mentality," she sullies legitimate forms of psychotherapy. She has failed to grasp the root of whatever it is that has driven our age to self-indulgence.

But then Hewlett has a tendency to simplify things. She writes of Tom Wolfe's recent novel about New York as if its title contained no irony: "Despite the excesses of the 1980s, when this nation built a great 'bonfire of the vanities.' " Of course, that's exactly what the nation didn't do.

It would profit corporate America, she insists, to create a family-friendly workplace. Such policies would improve recruitment, reduce absenteeism, diminish turnover, increase productivity and enhance company image. They already have, she concludes, to judge from many recent corporate programs.

Despite her evangelical tone and an occasional shallowness in her reasoning, what is compelling about Hewlett's case is her argument that America's greatest weaknesses of the moment could be turned to its advantage.

Any investment now would eventually pay for itself and then some, she reasons. As Benjamin Franklin observed in Poor Richard's Almanack (1758), "What maintains one vice would bring up two children." Hewlett lends new life to this simply practical remark.

Some three decades later, in 1791, Georges Jacques Danton, the revolutionist, told the French Convention, "The time has come to establish the principle that children belong to the Republic before they belong to their parents." Hewlett's book revivifies this observation too. She wants a new revolution to happen. But she wants its cutting edge to be not the guillotine, but the restoration of the family.

Christopher Lehmann-Haupt is on the staff of The New York Times.

BRIDGE

By Alan Truscott

NORTH-SOUTH have the values for a slam, and have a double fit in the black suits. Six clubs by South is safe, but not the best in terms of match-points. Bidding and making six clubs was worth 63 or 68 points out of a possible 100, depending on the opening lead which was much more crucial if North landed in six spades. If East led the obvious jack of hearts, as he usually did, the result was down one and North-South scored 6 points. If east led anything else, North-South made all the tricks and collected 82.

If North-South rested cautiously in four spades, they scored 43 if East led his singleton club in the hope of a ruff but only 18 if East led a heart. In the auction shown North-South located both the black-suit fits but South made a good decision by settling in six no-trump. This was right for two reasons: It gave protection to the heart king, and it offered the best chance of a top match-point score.

Although South was virtually certain to hold the heart king, West should have led his ace to make sure of a trick. Allowing the heart king to score was unlikely to be material: If East held a trick in a black suit he would probably make irrespective of the lead.

If West had led the ace, North-South would have scored 72 well-earned points. But West wanted to preserve his ace-queen sitting over the presumed King, and led the diamond queen. South promptly claimed all tricks, and he and North scored 96 en route to their winning East-West performance.

NORTH
♠ K J 10 9 3
♡ 7 5 2
◇ K 6
♣ A K 5

WEST (D)
♠ 8 6
♡ A Q J 3
◇ Q J 9 8 5
♣ 10 4 2

EAST
♠ 5 4 2
♡ J 10 9 8 4
◇ 10 7 4 3
♣ 7

SOUTH
♠ A Q 7
♡ K 6
◇ A 2
♣ Q J 9 8 6 3

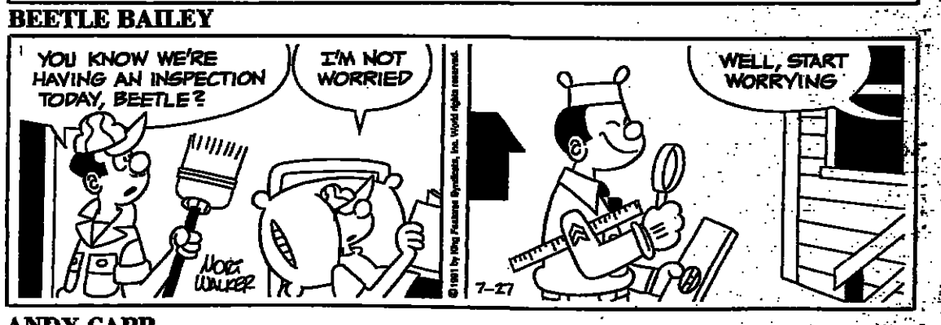
Neither side was vulnerable. The bidding:

West	North	East	South
Pass	1♠	Pass	2♣
Pass	3♠	Pass	3♠
Pass	4♣	Pass	4 N.T.
Pass	5♢	Pass	6 N.T.
Pass	Pass	Pass	

West led the diamond queen.

PEANUTS

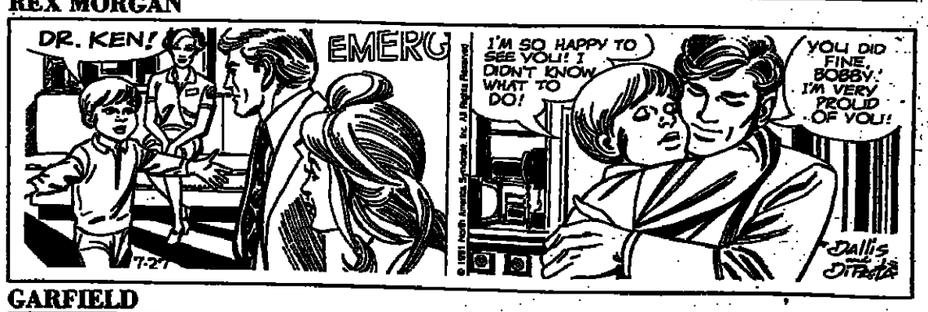
BEETLE BAILEY



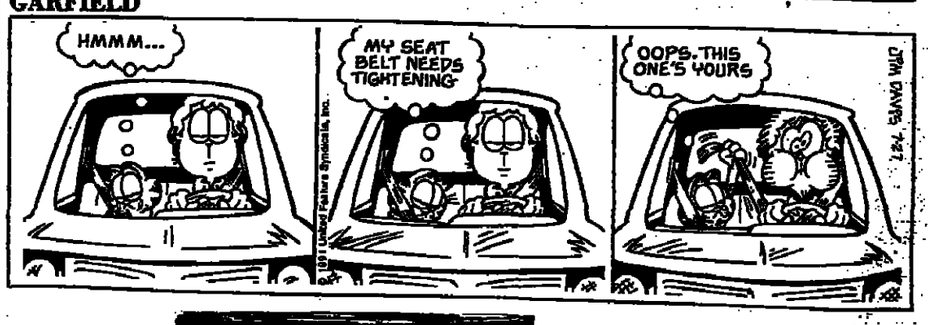
ANDY CAPP

WIZARD of ID

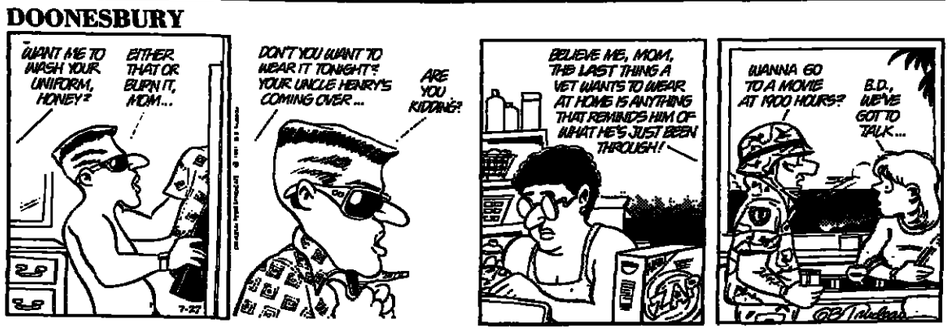
REX MORGAN



GARFIELD



DOONESBURY

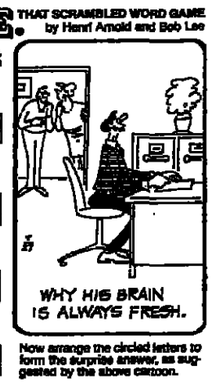


DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SCAMK
CELEX
SAHVNI
ARQUEV



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: HE ○○○○○○ IT

(Answers Monday)

Yesterday's Jumbles: DICED HAIRY UPHELD GAIETY
Answer: They never have funerals in that town because nobody wants to be - - - CAUGHT DEAD THERE

BLONDIE

Minus Graf, Germany Still Gains Semifinals

Compiled by Our Staff From Dispatches

NOTTINGHAM, England — Germany overcame the absence of Steffi Graf to defeat Italy in Fri... Graf's Federation Cup quarterfi... ...ks while the absence of Monica ...ebles continued to create a stir.

With its victory, Germany ad... ...vanced to play Spain. The top-...anked Spanish team won its quar... ...terfinal with Indonesia with ...victories by Conchita Martinez and ...Arantxa Sanchez Vicario, who need... ...d three sets to stop Yayuk Basuki. ...Germany and Spain will meet ...Saturday. The United States and ...Czechoslovakia will play in the oth... ...er semifinal on Saturday.

Barbara Rittner, who won the ...girls' singles title in the Wimbledon ...juniors, became a last-minute re... ...placement for Graf — who flew ...home after reaggravating a torn ...shoulder tendon in Germany's sec... ...ond-round victory over Canada.

Rittner, 15, responded with a 6-... ...1, 6-3 defeat of Raffaella Reggi ...to give the Germans a 1-0 lead. ...Isabelle Huber clinched victory in the ...best-of-3 series by winning, 6-2, 6-... ...1 over Sandra Cecchini.

German captain Klaus Hofsäss ...called Rittner's triumph "an unbe... ...lievable victory. We threw her into ...the water and found she could ...swim."

Graf, who will be sidelined for ...three weeks, called Rittner and ...Huber from her home in Brühl, ...Germany.

Off the court, the issue of wheel... ...chairs could have played despite a ...leg injury refused to go away. The ...Warsaw Tennis Federation on ...Friday disclosed that it had offered ...Seles any prize money the team ...might win if she took part, but ...claimed her parents prevented her ...from doing so.

"The Federation Cup is the world ...championship for women players, ...but the Seles family have always ...found reasons for her not to play," ...a statement released by the Yugo... ...slav federation said. *(AP, AFP)*

Navratilova Speaks Out

Martina Navratilova says the woman with whom she "lived as ...man and wife" betrayed her by ...leading her into signing a cohabita... ...tion agreement that could ruin her ...finances. The Associated Press ...reported from New York.

Claiming that through naivete ...she never read the agreement, Nav... ...ratilova said in an interview broad... ...cast Friday that she believed Judy ...Nelson "truly loved me."

"But I also now believe that ...she was much more organized ...than," Navratilova said on ...that she figured either she ...was going to have me or she was ...going to have a lot of money."

Nelson, who lived with Navra... ...tilova for seven years, filed suit seek... ...ing half of her earnings during the ...relationship. Navratilova denied ...reports that she had offered Nelson ...$1 million to settle the suit.

"I gave her that, and I'm broke," ...said Navratilova.

SCOREBOARD

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Toronto	56	40	.583	—
New York	49	45	.521	6½
Boston	45	46	.495	9½
Milwaukee	44	48	.478	11
Detroit	41	54	.432	15½
Cleveland	39	55	.415	17
Oakland	32	61	.344	23½

West Division

	W	L	Pct.	GB
Chicago	56	40	.583	—
Minnesota	51	43	.543	3½
Kansas City	49	42	.538	4
Texas	51	45	.531	4½
Seattle	50	46	.521	5½
California	48	46	.511	7
Chicago	46	48	.489	9

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	58	34	.630	—
Montreal	53	41	.564	6
New York	51	43	.543	8
Chicago	46	49	.484	13½
St. Louis	42	53	.442	17½
Philadelphia	40	55	.421	19½

West Division

	W	L	Pct.	GB
Atlanta	54	45	.574	—
Los Angeles	48	44	.522	3½
San Diego	46	47	.495	6
San Francisco	46	50	.479	7½
Houston	43	51	.457	10
Cincinnati	37	57	.394	15½

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SPORTS

Minus Graf, Germany Still Gains Semifinals

Compiled by Our Staff From Dispatches

NOTTINGHAM, England — Germany overcame the absence of Steffi Graf to defeat Italy in Friday's Federation Cup quarterfinals, while the absence of Monica Seles continued to create a stir.

With its victory, Germany advanced to play Spain. The top-seeded Spanish team won its quarterfinal with Indonesia with victories by Conchita Martinez and Arantxa Sánchez Vicario, who needed three sets to stop Yayuk Basuki.

Germany and Spain will meet Saturday. The United States and Czechoslovakia will play in the other semifinal on Saturday.

Barbara Rittner, who won the girls' singles title in the Wimbledon juniors, became a last-minute replacement for Graf — who flew home after reaggravating a torn shoulder tendon in Germany's second-round victory over Canada.

Rittner, 18, responded with a 6-3, 1-6, 6-3 defeat of Raffaella Reggi to give the Germans a 1-0 lead. Anke Huber clinched victory in the best-of-3 series by winning, 6-2, 6-3, over Sandra Cecchini.

German captain Klaus Hofsass called Rittner's triumph "an unbelievable victory. We threw her into the water and found she could swim."

Graf, who will be sidelined for three weeks, called Rittner and Huber from her home in Bruhl, Germany.

Off the court, the issue of whether Seles could have played despite a leg injury refused to go away. The Yugoslav Tennis Federation on Friday disclosed that it had offered Seles any prize money the team might win if she took part, but claimed her parents prevented her from doing so.

"The Federation Cup is the world championship for women players, but the Seles family have always found reasons for her not to play," a statement released by the Yugoslav federation said. *(AP, AFP)*

■ Navratilova Speaks Out

Martina Navratilova says the woman with whom she "lived as man and wife" betrayed her by tricking her into signing a cohabitation agreement that could ruin her financially, The Associated Press reported from New York.

Claiming that through naivete she never read the agreement, Navratilova said an interview broadcast Friday that she believed Judy Nelson "truly loved me."

"But I also now believe that this was pretty much organized ahead of time," Navratilova said on ABC. "That she figured either she was going to have me or she was going to have a lot of money."

Nelson, who lived with Navratilova for seven years, filed suit seeking half of her earnings during their relationship. Navratilova denied reports that she had offered Nelson $2 million to settle the suit.

"I give her that, and I'm broke," said Navratilova.

Charles Platiau/Reuters

Miguel Indurain, smiling as he heads confidently and seemingly unstoppably toward victory Sunday.

Tour Heads for Home Stretch

By Samuel Abt
International Herald Tribune

MACON, France — Laurence Roche knows exactly how he will react the next time he sees Paris. "Goose pimples," he says. "I've got goose pimples already, just thinking about it."

That next time should be Sunday, when he expects to ride his bicycle down the Champs-Elysées as one of the riders who completed all three weeks of the Tour de France.

Roche has thought often about the finish, especially while he was struggling through the Pyrenees and Alps. The 23-year-old Irishman is competing in his first Tour de France and, like any other young and inexperienced rider, could not really be certain of finishing until now.

The worst is over. Friday's stage from Aix les Bains to Mâcon, 160 kilometers (99 miles) in rolling countryside during cool weather, was taken mostly at moderate speed by the 158 riders remaining of the 198 who set out in Lyon on July 6.

As the field moved into the green countryside of Burgundy, the pace picked up at the end as different teams tried to set up their sprinters. But Slava Ekimov, a Russian with Panasonic and the world pursuit champion, bolted away with two kilometers left and cruised home a clear winner.

He finished first by seven seconds in a total time of 4 hours 12 minutes 52 seconds. His was the second consecutive victory by a Soviet rider, after Dmitri Konichev's first place Thursday, and the fourth by Soviet riders in this Tour.

The man who recorded the two other Soviet victories, Djamolidine Abdoujaparov of the Carrera team, won the field sprint for second, nipping Olaf Ludwig, a German with Panasonic.

There was no change among the leaders, who have conceded the overall victory to Miguel Indurain. His challengers are simply too weary to attack, especially since Indurain will be a favorite in Saturday's time trial. American Greg LeMond, the three-time Tour champion, remained eighth, 12:25 beind Indurain.

Since the highest Alps, the riders have just been trying to make it to Paris and safeguard the glory of having finished the world's greatest bicycle race.

That is true both at the top and bottom of the rankings, as in the case of Roche. He finished 151st, more than 6 minutes behind Ekimov and failed to advance beyond the 150th place he held at the start of the stage.

Barring a bad crash or illness, the next two days should be simple: the individual race against the clock Saturday then the traditionally ceremonial ride into Paris. If all 158 remaining riders make it there, they will set a record for survival, surpassing the 156 in last year's Tour.

"Making it to Paris?" Roche repeated Friday morning. "It looks now like I will make it there, touch wood."

He looked around hurriedly for a bit of wood but found none in a universe of carbon fiber, titanium and Kevlar.

"It's the best thing in all my career," he continued. "I've done many a race and many a good ride but there's nothing that can compare with this."

The 78th Tour de France has weighed heavier on Roche than on any of the other young riders. His brother Stephen won the Tour de France — and the Giro d'Italia and world championship — in 1987.

Laurence Roche is not in the same class, as he admits. He is so far from that class, in fact, that some other riders on his Tonton Tapis team charged that Laurence Roche had been selected for the Tour only because Stephen Roche was the leader of their team.

"That's not true," Laurence Roche said the other day when he was asked about the charge of favoritism. "I earned my place on the team. I've worked hard for the team this season and when I rode for Carrera my first two years."

Adding to the pressure on him, his brother was disqualified on the second stage for missing the start of the team time trial and then finishing outside the allowable time differential with the winner.

Before the race had even left Lyon, the great star Stephen Roche had to go home in disgrace and leave the saving of family honor to his untested younger brother.

The next day, as if to make a statement, Laurence Roche went on a long solo breakaway. He crashed heavily after he was caught and has never since managed to be more than another face in the crowd.

"At the beginning I was going all right but since the crash I've been struggling a little bit," he admitted before the Alps, earlier this week.

He denied that his brother's reputation put any extra pressure on him.

"None at all," he said. "If I let it, though, it would. If I started thinking, 'I'm Stephen's brother, I must do this, I must do that,' I wouldn't be able to fulfill what I want for myself.

"I'd always be behind schedule. I'd never be happy and when you're never happy, you never go well."

Laurence Roche is part of a big family and has three sisters and two brothers, most of them in his native Dublin. Stephen Roche is the oldest son, Laurence Roche the youngest.

Big brother doesn't always know best, Roche said.

"Stephen told me I'd last only 10 days it would be so hard, so I've done better than that.

"But really he said it just to make sure I knew what I was going in for. He told me it would be hard so I prepared for it."

The hardest part was the mountains, especially the Alps.

"I didn't do very well," Roche admitted. Misreading the odometer on his handlebars and slackening his efforts with only three kilometers to go instead of the five he thought remained, he finished far back on Alpe d'Huez on Tuesday.

Then, on Wednesday, he had trouble descending in the rain and fog on the way to Morzine.

"Stephen rang to ask how I got down the descent from the Colombière. He saw me on television going over the Colombière and he said he didn't think I'd catch the bunch ahead.

"In the dry I'm O.K. but in the wet, you can count me out. One of the lads in the group I was in had a crash, so I just got down the best I could. It's better to arrive than not."

That was the voice of experience speaking. "Just a few days to go and I'm still here," Laurence Roche added with a touch of wonder and pride.

Villava Gets Prepared To Welcome Indurain

Agence France-Presse

VILLAVA, Spain — Miguel Indurain is assured of a heroic homecoming on Monday once he has completed his all-but-certain victory in the Tour de France.

The mayor of Villava, a small town in the Pyrenees, has decided to honor the town's most famous son by staging a welcome party. There will also be a ceremony to name a street after the cyclist.

Top Finishers, Overall Standings

Top finishers in Friday's 19th stage, a 160-kilometer (99 miles) race from Aix les Bains to Macon: 1. Vyacheslav Ekimov, Soviet Union, 4 hours, 12 minutes, 52 seconds; 2. Djamolidine Abdoujaparov, Soviet Union, at 7 seconds; 3. Olf Ludwig, Germany, same time; 4. Jean-Claude Colotti, s.t.; 5. Laurent Jalabert, France, s.t.; 6. Jan Shur, Germany, s.t.; 7. Davide Cassini, Italy, s.t.; 8. Etienne DeWilde, Belgium, s.t.; 9. Andreas Kappes, Germany, s.t.; 10. Rudy Verdonck, Belgium, s.t.

Overall Standings: 1. Miguel Indurain, Spain, 95 hours, 5 minutes, 59 seconds; 2. Gianni Bugno, Italy, at 3 minutes, 9 seconds; 3. Claudio Chiappucci, Italy, at 4:48; 4. Charly Mottet, France, at 4:57; 5. Luc Leblanc, France, at 6:53; 6. Laurent Fignon, France, at 7:15; 7. Andy Hampsten, U.S., at 9:43; 8. Greg LeMond, U.S. at 12:25; 9. Gerard Rue, France, at 15:20; 10. Eduardo Chozas, Spain, at 16:25.

Mansell Sets Pace for Senna In Hockenheim

Compiled by Our Staff From Dispatches

HOCKENHEIM, Germany — Britain's Nigel Mansell set the Motodrom alight with a track record Friday to gain the provisional pole position for the German Grand Prix and pile pressure on Ayrton Senna, the embattled leader in the world standings who is driving for the first time after a crash last week.

Mansell steered his Williams-Renault around the 6,802-kilometer (4,227-mile) track in 1 minute 37.467, which was 2.731 seconds faster than Senna's top time last year.

Senna's McLaren-Honda teammate Gerhard Berger came in 0.479 seconds behind. Riccardo Patrese, the second Williams driver, lapped in 1:38.146.

Senna was fourth.

Both Mansell and Senna have winning streaks on the line. Mansell wants to win his third Grand Prix in a row and Senna is going for his fourth consecutive victory in Germany.

Senna leads the world championships with 51 points. Mansell has 33 and 10 are at stake Sunday with eight races to go.

Alain Prost of France, who was sixth, said he might quit the Ferrari team for which he drives at the end of the season because of criticism of his driving. There have been hints Senna could join Ferrari.

Also Friday, Satoru Nakajima, the first Japanese driver in Grand Prix racing, announced that he would retire at the end of the season. *(AP, AFP)*

On the Senior Golf Circuit, a Rich Life Begins at 50

By Alex Yannis
New York Times Service

BIRMINGHAM, Michigan — If it weren't for the Senior PGA Tour, Jim Albus, the head pro at the Piping Rock Club in Locust Valley, New York, would have been playing in the New York State Open this week.

Instead, he is paired with Arnold Palmer and Harold Henning in the 12th United States Senior Open, which began here at Oakland Hills on Thursday.

"I've never played with him," Albus said about Palmer, who captured the second Senior Open, staged here in 1981. "I hope I play well because I haven't played enough lately. It's the time of year the pro shop and lessons keep me busy."

The continuous infusion of golf's biggest names and the subsequent corporate support and network television coverage have made the Senior PGA tour a lucrative dream come true for the Jim Albuses of the golf world. And, living his dream, Albus shot a 75 Thursday — not great but three strokes better than Palmer in the opening round.

It has made millionaires out of previously marginal pros. This weekend every entrant has a chance for the first prize of $90,000 in a total purse of $600,000.

This is quite a change from the concept that started 11 years ago, for a handful of pro golfers who had reached the age of 50. That first year, there were two tournaments and a total purse of $250,000. This season, the Senior PGA Tour has 42 events with total prize money of almost $20 million.

The roster at this tournament contains some of golf's biggest names — Jack Nicklaus, Palmer, Lee Trevino, Chi Chi Rodriguez — and provides a grand opportunity for others, some of whom never played the regular tour. Mike Hill led after the first round with a 68, followed by Gary Player at 69 and Trevino at 70.

Rodriguez, one of the most colorful golfers on any tour, describes best what the senior tour has meant to players.

"A lot of us were caddies who were trying to be members of a club," said Rodriguez. "Some of those guys now can buy the club."

In almost every other sport, a 50-year-old would be long retired and certainly not in a position to make a living as an athlete. A recent attempt to create a senior league for baseball players was short-lived.

But the senior golfers continue to flourish. An almost annual addition of a marquee name and the ability of the golfers to break par and draw crowds on courses and in living rooms has been the formula for success.

Dale Douglass and Orville Moody, two players who have won the Senior Open, are examples of senior successes who were marginal earners as golfers until they turned 50.

Douglass, who won the Senior Open in 1986, earned $577,951 in 23 years on the regular tour. In his five years as a senior, the 55-year-old has earned $2,037,145.

Moody, who won the 1988 Senior Open, was an awful putter on the regular tour, where he earned $389,915 in 17 years. He joined the seniors in 1984 and, with help from his long putter, has earned $2,288,572.

Albus is another late-bloomer. After a special intervention by Deane Beman, the commisioner of the PGA Tour, Albus was entered in the Senior Players Championship.

He returned to his Long Island home with the first-prize check of $150,000 after outplaying Trevino in the final round. Not bad for a man who charges members of his club $35 for a half-hour lesson.

● Bernhard Langer followed his opening-round 63 with a 71 and was tied for the lead Friday in the Dutch Open in Noorwijk, the Netherlands, by Yugoslav-born Canadian Danny Mijovic, who benefitted from an eagle and five birdies in shooting 67. Both were at 10-under 134, one shot ahead of U.S. Open champion Payne Stewart. *(AFP)*

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Toronto	56	40	.583	—
Detroit	49	45	.521	6
New York	45	46	.495	8½
Boston	46	48	.489	9
Milwaukee	41	54	.432	14½
Baltimore	39	55	.415	16
Cleveland	32	61	.344	22½

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	W	L	Pct.	GB
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Oakland	51	45	.531	5
Seattle	50	46	.521	6
California	48	46	.511	7
Kansas City	46	48	.489	9

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
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St. Louis	51	43	.543	8
Chicago	46	49	.484	13½
Montreal	42	53	.442	17½
Philadelphia	40	55	.421	19½

West Division

	W	L	Pct.	GB
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Atlanta	48	44	.522	5
Cincinnati	46	47	.495	7½
San Diego	46	50	.479	9
San Francisco	43	51	.457	11
Houston	37	57	.394	17

Thursday's Line Scores

AMERICAN LEAGUE

Toronto 001 000 000—1 5 1
Chicago 000 240 01x—7 8 0

Stottlemyre, Acker (5), Henke (8) and Myers, Sprague (6); Hough and Karkovice. W—Hough, 6-6. L—Stottlemyre, 10-4.

Seattle 020 130 000—6 10 2
New York 001 200 000—3 5 1

Krueger, M.Jackson (7), Murphy (8) and Bradley, Valle (8); Taylor, Plunk (5), Howe (7), Farr (9) and Geren. W—Krueger, 8-3. L—Taylor, 5-5. Sv—Murphy (3). HR—Seattle, Buhner (16).

Oakland 300 000 130—7 6 0
Cleveland 002 011 04x—8 9 1

Hawkins, C.Young (7), Campbell (8), Eckersley (9) and Steinbach; Otto, Seanez (7), York (8), Olin (9) and S.Alomar. W—York, 1-2. L—Eckersley, 1-2. Sv—Olin (4). HRs—Oakland, Canseco (25). Cleveland, Browne (1).

California 010 200 001—4 11 0
Baltimore 003 010 31x—8 10 0

McCaskill, Bailes (7), Beasley (7), J.D.Robinson (8) and Parrish; Smith, Frohwirth (4), Flanagan (7), Williamson (9) and Hoiles. W—Frohwirth, 3-2. L—McCaskill, 7-13. HRs—California, D.Parker (9), Gallagher (1). Baltimore, Devereaux (12), Hoiles (6).

Minnesota 030 310 101—9 14 1
Detroit 012 000 000—3 9 1

Erickson, Bedrosian (6) and Harper; Aldred, Meacham (4), Cerutti (6), Gleaton (8), P.Gibson (9) and Tettleton. W—Erickson, 14-3. L—Aldred, 0-1. Sv—Bedrosian (5). HRs—Minnesota, Hrbek (10), Leius (3).

Milwaukee 000 000 000—0 4 0
Kansas City 000 200 00x—2 6 1

Hunter, Plesac (5) and Dempsey; Aquino, Montgomery (9) and Mayne. W—Aquino, 4-2. L—Hunter, 0-4. Sv—Montgomery (18).

NATIONAL LEAGUE

Cincinnati 000 000 300 000 1—4 14 1
Chicago 300 000 000 000 2—5 9 2
(13 innings)

Rijo, Power (7), Charlton (8), Dibble (10), Layana (13) and Oliver, Reed (8); G.Maddux, McElroy (7), Assenmacher (10), Slocumb (13) and Wilkins. W—Slocumb, 2-1. L—Layana, 0-2.

New York 010 000 000—1 6 2
San Francisco 310 002 02x—8 14 0

Whitehurst, Burke (5), Simons (7), Franco (8) and Cerone; T.Wilson, Hickerson (9) and Manwaring. W—T.Wilson, 6-9. L—Whitehurst, 5-7. HR—T.Wilson (1).

Montreal 030 020 000—5 12 2
San Diego 101 110 002—6 10 0

Darling, Ruskin (7), B.Jones (9) and Fitzgerald; G.Harris, M.Maddux (5) and Santiago. W—M.Maddux, 4-1. L—B.Jones, 3-7. HR—San Diego, Roberts (1).

Philadelphia 000 000 000—0 5 2
Los Angeles 000 000 05x—5 14 1

Ruffin, McDowell (8) and Daulton; R.Martinez and G.Carter, Scioscia (9). W—R.Martinez, 13-5. L—Ruffin, 2-3.

Major League Leaders

(Through July 26)

AMERICAN LEAGUE

	G	AB	R	H	Pct.
Puckett, Min	95	373	58	125	.335
Tartabull, KC	81	312	57	104	.333
C.Ripken, Blt	94	377	65	125	.332
Palmeiro, Tex	90	373	67	123	.330
Boggs, Bsn	89	333	54	107	.321
Molitor, Mil	91	379	70	120	.317
E.Martinez, Sea	88	311	56	98	.315
Franco, Tex	87	353	61	111	.314
Greenwell, Bsn	92	346	47	107	.309
Baines, Oak	85	300	48	92	.307

RUNS—Molitor, Milwaukee, 70; Canseco, Oakland, 68; Palmeiro, Texas, 67; C.Ripken, Baltimore, 65; White, Toronto, 64; Sierra, Texas, 63; Fielder, Detroit, 62.

RBI—Fielder, Detroit, 78; Canseco, Oakland, 75; Carter, Toronto, 68; Sierra, Texas, 67; Tartabull, Kansas City, 66; C.Davis, Minnesota, 66; C.Ripken, Baltimore, 64.

HITS—Puckett, Minnesota, 125; C.Ripken, Baltimore, 125; Palmeiro, Texas, 123; Molitor, Milwaukee, 120; Sierra, Texas, 115; Carter, Toronto, 113; Franco, Texas, 111.

DOUBLES—R.Alomar, Toronto, 30; Carter, Toronto, 29; Palmeiro, Texas, 28; Boggs, Boston, 28; C.Ripken, Baltimore, 25; Brett, Kansas City, 24; Canseco, Oakland, 23; White, Toronto, 23.

TRIPLES—Molitor, Milwaukee, 9; Polonia, California, 7; White, Toronto, 7; R.Alomar, Toronto, 6; McRae, Kansas City, 5; Devereaux, Baltimore, 5; Puckett, Minnesota, 5; Raines, Chicago, 5.

HOME RUNS—Fielder, Detroit, 26; Canseco, Oakland, 25; Carter, Toronto, 23; Tartabull, Kansas City, 22; C.Davis, Minnesota, 21; C.Ripken, Baltimore, 21; Deer, Detroit, 19; D.Henderson, Oakland, 19; Winfield, California, 19.

STOLEN BASES—R.Henderson, Oakland, 33; R.Alomar, Toronto, 32; Raines, Chicago, 31; Polonia, California, 30; Cuyler, Detroit, 23; White, Toronto, 22; Franco, Texas, 19.

PITCHING (9 Decisions)—Erickson, Minnesota, 14-3, .824, 2.07; Henneman, Detroit, 7-2, .778, 2.80; Langston, California, 13-4, .765, 3.63; Wells, Toronto, 12-4, .750, 2.73; Krueger, Seattle, 8-3, .727, 2.76; Finley, California, 13-5, .722, 3.98; Gullickson, Detroit, 13-5, .722, 4.15.

STRIKEOUTS—R.Johnson, Seattle, 141; Clemens, Boston, 136; Ryan, Texas, 135; Swindell, Cleveland, 121; Finley, California, 120; McDowell, Chicago, 117; Candiotti, Toronto, 113.

SAVES—Aguilera, Minnesota, 25; Eckersley, Oakland, 24; Reardon, Boston, 24; Harvey, California, 23; Olson, Baltimore, 21; Thigpen, Chicago, 20; Je.Russell, Texas, 20; Henke, Toronto, 20.

NATIONAL LEAGUE

	G	AB	R	H	Pct.
T.Gwynn, SD	96	382	51	128	.335
Pendleton, Atl	84	300	55	100	.333
Nixon, Atl	82	260	53	86	.331
Morris, Cin	82	285	41	93	.326
Jose, StL	89	334	45	105	.314
Calderon, Mon	90	336	52	105	.312
Bonilla, Pit	89	333	54	102	.306
O.Smith, StL	86	314	59	96	.306
Biggio, Hou	88	321	43	97	.302
Butler, LA	93	364	68	110	.302

RUNS—Butler, Los Angeles, 68; Johnson, New York, 65; Sandberg, Chicago, 63; Van Slyke, Pittsburgh, 62; Gant, Atlanta, 59; O.Smith, St. Louis, 59; DeShields, Montreal, 57.

RBI—W.Clark, San Francisco, 71; Johnson, New York, 70; Bonds, Pittsburgh, 66; G.Bell, Chicago, 62; Dawson, Chicago, 62; Kruk, Philadelphia, 59; Bonilla, Pittsburgh, 59; Murray, Los Angeles, 59.

HITS—T.Gwynn, San Diego, 128; Samuel, Los Angeles, 112; Butler, Los Angeles, 110; Jose, St. Louis, 105; Calderon, Montreal, 105; Sandberg, Chicago, 103; Bonilla, Pittsburgh, 102; G.Bell, Chicago, 102.

DOUBLES—Jose, St. Louis, 29; Morris, Cincinnati, 25; McReynolds, New York, 25; Bonilla, Pittsburgh, 24; Gant, Atlanta, 23; T.Gwynn, San Diego, 22; Sandberg, Chicago, 22.

TRIPLES—T.Gwynn, San Diego, 9; Lankford, St. Louis, 8; L.Gonzalez, Houston, 6; Kruk, Philadelphia, 6; Felder, San Francisco, 6; Van Slyke, Pittsburgh, 6; Candaele, Houston, 5; Coleman, New York, 5; M.Thompson, St. Louis, 5.

HOME RUNS—Johnson, New York, 22; Gant, Atlanta, 19; McGriff, San Diego, 19; G.Bell, Chicago, 18; Ma.Williams, San Francisco, 17; W.Clark, San Francisco, 17; Mitchell, San Francisco, 17.

STOLEN BASES—Nixon, Atlanta, 53; Grissom, Montreal, 44; DeShields, Montreal, 40; Coleman, New York, 33; Lankford, St. Louis, 28; Bonds, Pittsburgh, 28; Butler, Los Angeles, 23.

PITCHING (9 Decisions)—Carpenter, St. Louis, 7-2, .778, 3.88; Walk, Pittsburgh, 7-2, .778, 3.19; R.Martinez, Los Angeles, 13-5, .722, 2.33; Glavine, Atlanta, 13-5, .722, 2.19; Greene, Philadelphia, 7-3, .700, 3.00; Hurst, San Diego, 11-5, .687, 3.20; Avery, Atlanta, 10-5, .667, 3.64; Smiley, Pittsburgh, 12-6, .667, 3.36.

STRIKEOUTS—Cone, New York, 137; Glavine, Atlanta, 124; Gooden, New York, 122; G.Maddux, Chicago, 120; Harnisch, Houston, 98; Benes, San Diego, 95; Rijo, Cincinnati, 91.

SAVES—Le.Smith, St. Louis, 26; Dibble, Cincinnati, 23; Franco, New York, 21; Mi.Williams, Philadelphia, 18; Da.Smith, Chicago, 16; B.Landrum, Pittsburgh, 15; Lefferts, San Diego, 15; Berenguer, Atlanta, 15.

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Chunichi	45	28	1	.615	—
Yakult	44	33	1	.571	3
Hiroshima	38	30	1	.558	4½
Yomiuri	44	38	0	.537	5½
Taiyo	33	45	1	.424	14½
Hanshin	22	52	0	.297	23½

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Kintetsu	48	28	1	.630	—
Seibu	46	31	2	.595	2½
Nippon Ham	40	38	1	.513	9
Daiei	36	37	0	.493	10½
Orix	34	44	2	.436	15
Lotte	25	51	0	.329	23

FOOTBALL

Canadian League

EASTERN DIVISION

	W	L	T	PF	PA	Pts
Toronto	3	0	0	106	52	6
Winnipeg	1	2	0	62	65	2
Hamilton	0	2	0	27	64	0
Ottawa	0	3	0	79	103	0

WESTERN DIVISION

	W	L	T	PF	PA	Pts
Calgary	3	0	0	129	90	6
Brit Clmb	2	1	0	97	98	4
Edmonton	2	1	0	110	90	4
Sasktchwn	0	2	0	53	82	0

Thursday's Results

Toronto 30, Winnipeg 16
British Columbia 37, Edmonton 36

TENNIS

DUTCH OPEN
In Hilversum
Quarterfinals

Mark Koevermans, Netherlands, def. Renzo Furlan, Italy, 6-1, 6-1; Jordi Arrese, Spain, def. Thomas Muster, Austria, 6-4, 6-1; Karel Novacek (2), Czechoslovakia, def. Franco Davin, Argentina, 7-6 (7-3), 2-6, 6-2; Magnus Gustafsson, Sweden (4), def. Marc Rosset, Switzerland, 6-7 (3-7), 6-2, 6-4.

WESTCHESTER LADIES CUP
In Purchase, N.Y.
Quarterfinals

Ros Fairbank-Nideffer (5), U.S., def. Lisa Raymond, U.S., 6-3, 6-3; Lori McNeil (2), U.S., def. Debbie Graham (8), U.S., 7-5, 6-1.

Federation Cup

QUARTERFINALS
Spain 2, Indonesia 0

Conchita Martinez, Spain, def. Suzanna Wibowo, Indonesia, 6-2, 6-0; Arantxa Sanchez Vicario, Spain, def. Yayuk Basuki, Indonesia, 4-6, 7-5, 6-4.

Germany 2, Italy 0

Barbara Rittner, Germany, def. Raffaella Reggi, Italy, 6-3, 1-6, 6-3; Anke Huber, Germany, def. Sandra Cecchini, Italy, 6-2, 6-3.

CRICKET

FOURTH TEST
England vs. West Indies, Second Day
Friday, in Birmingham, England
England 1st innings: 188
West Indies 1st innings: 148-3

TRANSACTIONS

BASEBALL
American League

CLEVELAND—Optioned Mark Lewis, infielder, to Colorado, Pacific Coast League. Recalled Jeff Manto, first baseman, from Colorado.

DETROIT—Put Pete Incaviglia, outfielder, on 15-day disabled list retroactive to July 22. Called up John Kiely, pitcher from Toledo, International League.

National League

ATLANTA—Signed three-year broadcast contract with WPCH-FM and WGST-AM.

CHICAGO—Put Dave Smith, pitcher, on 15-day disabled list, retroactive to July 23. Recalled Dave Pavlas, pitcher, from Iowa, American Association. Sent Laddie Renfroe, pitcher, to Iowa.

CINCINNATI—Activated Jose Rijo, pitcher, from 15-day disabled list. Optioned Freddie Benavides, outfielder, to Nashville, American Association.

SAN DIEGO—Sent Paul Faries, infielder, to Las Vegas, Pacific Coast League.

SAN FRANCISCO—Called up Bryan Hickerson, pitcher, from Phoenix, Pacific Coast League. Optioned Greg Litton, infielder, to Phoenix. Moved Scott Garrelts, pitcher, from 15 to 60-day disabled list.

FOOTBALL
National Football League

CLEVELAND—Signed Greg Mark, defensive end.

DALLAS—Signed Jack Del Rio, linebacker to three-year contract.

INDIANAPOLIS—Signed Eugene Daniel, cornerback. Waived Willie Davis, defensive back.

MIAMI—Signed T.J. Turner, defensive end.

MINNESOTA—Signed Chris Doleman, defensive end, and Rich Gannon, quarterback. Jamie Morris, running back, and Doug Baird, guard, left camp.

NEW ENGLAND—Tony Massey, linebacker, left camp.

N.Y. GIANTS—Put Larry McGrew, linebacker, on reserved-did not report list. Signed Kanavis McGhee, linebacker.

SEATTLE—Signed Ron Heller, tight end, Jeff Chadwick and David Daniels, wide receivers, agreed to terms. Released Calvin Griggs, wide receiver.

HOCKEY
National Hockey League

BOSTON—Signed Glen Featherstone, defenseman. Signed Dave Thomlinson, left wing, to an offer sheet.

CHICAGO—Named Rich Preston assistant coach.

EDMONTON—Named Kevin Primeau assistant coach.

VANCOUVER—Signed Ryan Walter, center, to one-year contract.

COLLEGE

CHAPMAN—Named Derek Anderson sports information director.

EAST CAROLINA—Named Scooty Carey soccer coach; Jeff Connors strength and conditioning coach; and Charles Justice women's track and field coach.

FORDHAM—Named Tarek Ali men's water polo coach.

JACKSONVILLE—Al Powell, junior forward, withdrew from school.

MARIST—Named Nick Macarchuk III men's assistant basketball coach.

MARY WOOD COLLEGE—Named Edward Cosgrove men's basketball coach.

MERCY—Named Timmy Kelly baseball coach.

MILLERSVILLE—Named Chris Ditzler women's assistant basketball coach.

NEVADA—Named Mark Scott assistant swimming and diving coach and recruiting coordinator.

PACE—Named Steve Jaffe running backs coach.

SOUTHERN METHODIST—Promoted Mike Wade, receivers coach, to offensive coordinator.

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(Continued From Back Page)

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DAVE BARRY

Ungrateful Equines

MIAMI — Recently, a woman I know named Michelle came into the newspaper office with a big ugly wound on her upper arm. Realizing that she might be self-conscious about it, I said: "Michelle, what's that big ugly wound on your upper arm?" Sensitivity is the cornerstone of journalism.

It turned out that Michelle had been bitten by a horse. It was her own horse, and it bit her while she was trying to feed it. This is a typical horse maneuver. Horses are the opposite of dogs, gratitude-wise. You give a dog something totally wretched to eat, such as a toad part or a wad of pre-chewed Dentyne, and the dog will henceforth view you as the Supreme Being. It will gaze on you for hours with rapt adoration and lick the ground you walk on and try to kill the pizza-delivery person if he comes anywhere near you. Whereas if you spend hours grooming a horse and lugging its food and water around, the horse will be thinking: "Should I chomp on this person's arm? Or should I merely blow a couple gallons of horse snot into this person's hair?"

I don't trust horses. "Never trust an animal with feet made from the same material as bowling balls" is one of my mottoes. I never believed those scenes in Western movies when bad guys would tie the hero up, and his horse would trot over and untie the knots with its teeth. A real horse would size up the situation and stomp on the hero's feet.

□

I don't blame horses for being hostile. I myself would feel hostile toward somebody who was always sitting on me and yanking on my lips. But what I don't get is, how come they're so popular? Especially with women?

Now you're probably saying: "Dave, you're just bitter because in fifth grade you had an intense crush on Susan Cartoum and you wrote 'Sue' on your notebook inside a heart, but the name inside the heart on her notebook was 'Frosty,' an imaginary horse that she loved much more than you."

Yes, it's true that I am a little bitter about that. Also I have not forgotten my first experience with a horse. I was 9 years old, at a farm, and I attempted to ride a pony. Following my sister's directions, I put my foot into the metal thing hanging down from the pony (technically, the "fetlock"), and instantly the pony, not wishing to be boarded at that time, trotted briskly off, with my leg attached to it. I attempted to keep up by bouncing next to it on my other leg, like the famous Western cinematic star Hopalong Dork, but finally, in a feat of astonishing equestrian skill, I fell down backward and got dragged across the field with my head bouncing gaily behind.

□

So I stayed off horses altogether until 20 years later, when I was courting my wife. We were in the Rockies, and they had rental horses, and she wanted to ride one. Naturally she loves horses. As a child, she used to ride a neighbor's horse bareback, an experience she remembers fondly even though she admits the horse would regularly try to decapitate her by running under low tree branches at 27 miles per hour. I don't want to sound like a broken record here, but why is it that a woman will forgive homicidal behavior in a horse yet be highly critical of a man for leaving the toilet seat up?

Anyway, I was in Raging Hormone Courting Mode, meaning I would have wrestled a giant snake to impress my wife-to-be, so I let her talk me into getting on this rental horse. It turned its head around and looked at me with one of those horse eyeballs the size of a mature grapefruit, and I knew instantly what it was thinking. It was thinking: "Hey! It's Hopalong Dork!" So while my wife's horse trotted briskly off into the scenery, looking for low branches to run under, my horse just stood there eating, waiting for me to put one leg on the ground so it could suddenly take off and drag me to Oregon. So I sat very still, like one of those statue generals, only more rigid. I'd say we moved about 11 feet in two hours. Next time I am definitely renting the snake.

Fortunately, my wife's horse was unable to kill her, and we got married and lived happily ever after, except that she keeps saying that she wants us to go riding again. I don't know what to do. I think maybe tonight I'll fix her a candlelight dinner, give her some wine and put on some soft, romantic music. Then, when the moment is just right, I will gently but firmly bite her upper arm.

Knight-Ridder Newspapers

Dispatches From Opera's Front Lines

By David Stevens
International Herald Tribune

Jim Caldwell

Meredith Monk and David Gockley, left, and Monk and Carlos Arévalo dance in the "Arctic bar" scene of her opera "Atlas."

PARIS — The American opera company most familiar abroad by its actual presence is the Houston Grand Opera, which has just visited Berlin and Paris with its production of Meredith Monk's "ATLAS: an opera in three parts," and is still remembered for its 1977 tour with Gershwin's "Porgy and Bess."

Houston is also at the cutting edge of opera in general, an edge represented in part by a dozen world premieres it has put on, among them, John Adams's "Nixon in China" (also seen in Europe), as well as the first performance of the new critical edition of Rossini's "Tancredi."

The man behind this profile, or rather out in front of it, is David Gockley, who became general director of the company 20 years ago at the age of 27. At one prophetic time even earlier, he doubled as singer and box office manager for the Santa Fe Opera. When he talks about the American operatic landscape, as he did during the company's Paris stay, he starts with demographics.

"The challenge today is that as American cities become more and more culturally diverse, European derived cultural forms are at risk," he said. "In Houston proper, the white population is about 45 percent of the total, going down in percentage terms, the Hispanic and black populations are increasing, and the Asians have exploded. We are in the middle of a huge diverse area.

"The question is how to keep an organization like the opera going when non-Europeans say 'we are underrepresented.' The feeling is that European is synonymous with elitism."

He went on to point out that population changes have an immediate political effect; tax laws can change, affecting how donors dispose of their disposable funds.

With about 100 American opera companies, 20 of them with budgets of $1 million or more, "many are involved in seeking new audiences," Gockley remarked. Houston, with a budget of $18 million, has an October-to-August season of about a dozen works in a home, opened in 1987, with a main 2,200-seat theater and a smaller one with 1,100. Income is 52 percent earned, most of the rest is contributions, only 5 percent comes from government sources.

"We are dealing with all this by attempting to present diverse works derived from other cultures," Gockley said, citing a production of Astor Piazzolla's tango opera, "Maria de Buenos Aires," and a budding project, with the experimental jazz musician and composer Leroy Jenkins, on an African mythical theme. "We have to establish ourselves as not just the opera company of the upper crust, but one that speaks for the whole community."

The 1991-92 season lists 11 works, of which six are from the "standard" European repertory, and three are American musicals or operettas. The season's innovation comes in the juxtaposition of two "Beauty and the Beast" operas — one the world premiere of Robert Moran's "Desert of Roses," the other an 18th-century version of Grétry's "Zémire et Azor." The following season, Gockley says, Houston will strike a 50-50 European/non-European balance.

The money talk is balanced by the musician Gockley started out to be. He speaks of "genuine excitement about the viability of new works," of his belief that postmodern music is more adaptable to theater than, say, postwar serialism. While Meredith Monk — composer, choreographer, singer, dancer, filmmaker and all-around avant-gardist — hardly needs creative encouragement, Gockley's management style undoubtedly counted for a lot in the creation of "Atlas."

He invited Monk four years ago to work for a month with singers in the company's opera studio. That worked, it was even a cathartic experience for some young singers, Gockley says, and it led to "Atlas," which had its world premiere last February after auditions of almost 500 performers, and a long combined creation-rehearsal period.

One striking thing about this three-hour-plus *Gesamtkunstwerk* is that, except for a few spoken interjections, it has no words. The singing is wordless vocalizing, sometimes of folklike simplicity, sometimes harmonically complex, supported by a 10-instrument orchestra. Despite seeming thinness of means, the communicative and atmospheric range of the music is astonishing. On the other hand, even without words, the music often evokes operatic prototypes.

The heroine of the story is called Alexandra Daniels, a fictional American modeled after Alexandra David-Neel, the French woman explorer (notably of Tibet). The subject is exploration, the outward search for new worlds as a metaphor for the inner search for self. Monk plays the explorer, aged 25 to 45, Dina Emerson plays the child yearning escape home, and Sally Gross the contemplative woman of 60.

There were some striking, often amusing, musical-scenic effects: a wordlessly vocalized domestic squabble; haystacks suddenly standing up and becoming farmers; a loony "Arctic bar" parody of a western saloon; the trio of feminine "ice demons" freezing an explorer rigid with glacial tones and icicle fingernails, then bickering for all the world like the three ladies in "The Magic Flute"; a nutty "desert tango," camels and all. The metaphysical parts are less convincing, inner transfiguration being visually elusive.

The versatile cast of 18 executed some deft multiple role switching, and Randall Wong made an indelible impression — as the sinister honcho of the ice demons and as a monkish Lonely Spirit — with a voice of unearthly soprano extension. Monk's principal collaborators were Debby Lee Cohen and Yoshio Yabara, sets and costumes; Wayne Hankin, conductor and co-orchestrator, and Pablo Vela, co-director.

In all, this represents a unique operatic initiative and an ambitious extension of Meredith Monk's idiom. And, in the age of opera surtitles, here is one that can play anywhere without them.

PEOPLE

Remembering Singer: Charm, Sly Wit, Irony

Fellow writers and friends remembered **Isaac Bashevis Singer**, who died Wednesday, for his charm, sly wit and ironic perspective. The novelist **Hugh Nissenson** told The New York Times that Singer had told him once, "I believe there are imps and demons that hide pens." Anyone could joke about that, but Singer said it with a "childlike quality." "He never lost that sense of wonder and terror that a child feels in the face of the universe." **Sam Orenstein**, a waiter in an Manhattan dining spot frequented by Singer, remembers with affection an exchange they had after Singer won a Nobel Prize worth $165,000. "Isaac, how about a bigger tip?" Orenstein teased. "Dos harts lust nischt," Singer replied, literally "my heart won't let me." But in the vernacular Yiddish they shared Singer, a man of poor roots, "meant that he'd like to give me, but he's not used to it," Orenstein said.

□

Ted Turner, a born-again environmentalist, has decided to expel all cows from his Montana ranch and replace them with 7,000 bison. Speaking at the National Audubon Society's conference in Estes Park, Colorado, he said: "Buffaloes are better looking than cows — they don't have fat all over their butts." He said he agreed that cattle are overgrazing the West.

□

A jury awarded $49,000 to a former Massachusetts state police detective who says he was promised the money to be a source for a book on **Senator Edward M. Kennedy's** 1969 Chappaquiddick accident. **Leo Damore**, author of "Senatorial Privilege: The Chappaquiddick Cover-Up," reneged on an agreement to pay **Bernard Flynn** for information on the crash that killed **Mary Jo Kopechne** and jeopardized the senator's political career, the jury decided.

□

Eve Durrell, a former wife of the late novelist **Lawrence Durrell**, was turned town by the High Court in London Friday in her attempt to block publication of diaries, letters and other works by their daughter **Sappho**, who committed suicide six years ago at age 33. Durrell is said to have had an incestuous relationship with his teenage daughter when she was living in his home in Provence.

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